# policy REVIEW

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# Washington's Moral Deficit

## Robbing Baby Peter to Pay Pols

**Adam Meyerson**

"My God, now it's *our* deficit!" exclaimed Daniel Patrick Moynihan as Bill Clinton won the presidency. With its control of the White House as well as Congress, the Democratic Party now will be fully accountable for taxing and spending decisions in Washington.

This gives the Democrats enormous power and enormous reason for worry. Their new president turns out to be quite a riverboat gambler. He is betting voters will forgive him for breaking his campaign tax promises within a month of taking office. Now he is wowing the American people with his new promise to cut the deficit—while sowing the wind of new federal activism not seen since the days of Lyndon Johnson.

Voters in 1994 and 1996 will tell the Democratic Party whether they like this talk-centrist, act-liberal direction. Do they really think the government in Washington should be taking more money from families and businesses now that the Cold War is over? Are they happy with a national debt that will rise from $4.2 trillion to over $5 trillion during the Clinton presidency, without even counting his new health-care programs? The president and his party will reap the whirlwind if the American people think they have been betrayed.

But in holding the Democratic Party accountable, voters will also compare it with alternatives. If there are any. The budget strategy of the Republican Party comes out of Tolstoy's *War and Peace:* Let Napoleon's (Mr. Clinton's) army destroy the country, then hope the invader freezes to death in the Moscow winter. This is an even riskier strategy than President Clinton's. If the GOP cannot define its position on the most important national political question of our time—the size and functions of the federal government—then voters will conclude it is irrelevant and obsolete.

### Metaphor for Selfishness

The most effective way for the GOP to respond is to combine the best of its "growth and opportunity" and its "deficit hawk" wings. The opportunity wing recognizes that the deficit is not America's most important economic problem, and that deficit reduction cannot be the centerpiece of a Republican economic strategy, as it was under President Bush. It points out, correctly, that tax increases in the name of deficit reduction typically worsen the economy without lowering the deficit. It argues, again correctly, that a Republican Party known only for spending cuts—or even worse, for spending cuts and co-conspiracy in tax increases—will be a permanent minority unless it connects its budget positions with a broader strategy for economic growth.

What the opportunity wing ignores is the profound public anger over the deficit. There is a deep foreboding that the country is headed for bankruptcy if debts and deficits are not brought under control. The American people see the deficit as a moral problem even more than an economic problem. Deficit spending robs children and grandchildren to pay for the consumption of parents and grandparents. It is a metaphor for selfishness, a sign that too many able-bodied adults expect to be taken care of at the expense of their and other people's children.

The deficit also has become the ultimate symbol of the irresponsibility of politicians in Washington. Setting budget priorities—reconciling the competing needs of different constituents—is what we pay elected representatives to do. The conspicuous failure of politicians to do this explains why voters so angry over unbalanced budgets are equally angry over congressional pay raises.

### Reagan's Investment

It is true that the deficits of the 1980s did not greatly disturb voters at the time. But deficits are higher and scarier today than they were under Ronald Reagan. (The national debt will rise during the Clinton administration to nearly twice its level when Mr. Reagan left office.)

Even more important, the Cold War is over. Borrowing from future generations is a necessary evil when the country is in mortal danger, as in World War II or when President Reagan had to protect America and the free world against a rapidly expanding Soviet empire. A third of the debt run up in the 1980s financed the Reagan military buildup; this was "investment" in the truest sense, because it has given us peace and enabled us to

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reduce future expenditures. With the danger gone, voters say there is no excuse to defer our bills.

The Reagan boom also showed that economic growth does not eliminate the deficit when spending is uncontrolled. The American people no longer will accept a tax-cutting agenda unless it is accompanied by spending cuts of greater magnitude. But deficit reduction is no substitute for an economic growth strategy that boosts incentives to work and invest, eliminates frivolous regulation and litigation, and puts more money in the family budget instead of the government budget.

### Shared Sacrifice

Since the deficit is a moral problem, the GOP needs to develop a moral vocabulary for spending cuts, one that encourages able-bodied Americans to take greater responsibility for their own families and communities. President Clinton already has used the concept of sacrifice skillfully, and persuaded many Americans to acquiesce in higher taxes if that is what is needed to cut the deficit. In seeking to wean Americans from government, Republicans will have to be as skillful in using the concept of shared sacrifice for the sake of the children and a brighter economic future.

The notion of *shared* sacrifice is critical. Neither farmers nor the elderly nor welfare recipients nor any other group will accept reductions in subsidies if they think they are bearing the brunt of spending cuts. It is easier to cut spending in many programs than in few.

It is also important to tie spending cuts *directly* to advantages for children and grandchildren. One way to do this is by channeling some of the savings from spending cuts into tax relief for families with children. Favoring spending cuts no longer seems stingy and parsimonious; it becomes a way to help struggling young families, something all Americans want to do.

For the sake of the children and grandchildren, Americans also have to change their behavior. Too many groups—rural and urban, North and South, East and West, black and white, rich and middle-class and poor—have been asking other taxpayers, and future generations, to pay for bills they can realistically pay themselves.

It is not right, for example, for farmers to expect permanent subsidies when that means driving America further into debt. Borrowing from future generations can be justified when there's a terrible farm depression. But American agriculture is not in crisis by the standards of recent decades, although times are hard in many places. Building up debt to subsidize farmers today will make it harder for the country to respond generously the next time rural America really is in trouble. The current unneeded farm subsidies eat into seed corn for future needed ones.

It also is not right for big-city mayors to expect federal aid when they are pursuing policies that are driving out their own middle class. The city of Washington, D.C., for instance, receives $630 million in federal aid, $2,500 per household, even though it is in the highest-income metropolitan area in the country. Washington easily could finance essential city services without burdening future generations—by making it attractive for middle-class suburbanites, black as well as white, to move back into town. Dozens of other central cities are in prosperous metropolitan areas. It is wrong for them to build up the national debt while driving away their own natural tax base.

One of the biggest abuses of future generations comes from girls and women who deliberately have children without a father to help support them financially and emotionally. Not only are deliberate single mothers doing a terrible disservice to their own children. By becoming public charges, they are imposing a burden of debt on other children as well. They are taking away resources from those who truly need help both now and in the future—the lame, the blind, the mentally ill, the widowed and orphaned and abandoned. President Clinton is calling for greater personal responsibility in his New Covenant; if he really means it, he should end all subsidies to intentional single motherhood.

### Contributions from the Rich

President Clinton has argued that the rich should contribute more in tax payments. The same argument can be made about spending, where prosperous communities are asking less-well-off taxpayers, and their children, to finance programs of special concern to them. The average homosexual, for example, makes almost $50,000 a year, and has no children to support; if roughly 2.5 percent of the working population is gay, then American homosexuals together earn over $100 billion a year. The gay community already has done a heroic job setting up private hospices and other institutions to care for AIDS victims, even for many who are not homosexuals themselves. It would be consistent with the American tradition of philanthropy for this well-to-do community also to fund most of the $4 billion a year that the nation's taxpayers currently spend on AIDS research and treatment.

Similarly, few industries have as many multi-millionaires as the actors, producers, directors, and agents of Hollywood. This community has a strong commitment to the arts and to freedom of expression. Wouldn't it be generous for these wealthy people to relieve taxpayers and their children of the obligation to fund the Corporation for Public Broadcasting and the National Endowment for the Arts?

The wealthiest group in America consists of senior citizens. They have lived longer and healthier lives than any other generation in history, and they have received much more in Social Security and Medicare benefits than they ever paid in payroll taxes plus interest. Their children and grandchildren now pay much higher taxes than they did, largely to fund current retirement benefits. Indeed, 70 percent of American workers pay more in payroll taxes than they do in income taxes. Long, dignified, and comfortable retirements for the majority of the population were unheard of in prior generations. They are an extraordinary blessing, both for seniors and their families. Isn't it right in turn for seniors to accept some modest cuts in Social Security and Medicare subsidies, to provide some tax and debt relief for their children and grandchildren? ☎



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# May We Cut In, Mr. Clinton?

## A Plan to Balance the Budget Without Raising Taxes

WILLIAM A. NISKANEN AND STEPHEN MOORE

America can do better than the budget blueprint unveiled by President Clinton in his State of the Union Address in February.

Mr. Clinton pretended in his speech that he was cutting federal spending. Under his plan, annual federal spending actually would rise by $202 billion from 1993 to 1997. Annual defense spending would fall by $49 billion—in ways that the president failed to specify. But annual domestic spending would rise by $264 billion, or about 8 percent a year. If this is the best that a moderate "New Democrat" could come up with, it is frightening to think what the old-school liberals would propose.

President Clinton pretended in his speech that he was bringing the deficit under the control. But even according to his own numbers, the deficit in FY1998 would be $240 billion, or 3.1 percent of the gross domestic product. This figure is slightly higher than it was when Ronald Reagan left office in 1989. And this projected deficit does not count the additional costs of Hillary Clinton's health plans. It assumes that all of Mr. Clinton's budget savings are credible, and also that Congress approves no additional spending between now and 1998.

To secure these minimal benefits on the deficit front, President Clinton broke his campaign promises not to tax the middle class. He is proposing $238 billion in new taxes over four years, the largest tax increase in American history. Compared with a baseline of current services, his plan proposes $4.70 in tax increases for every dollar in spending cuts over the next four years. What few spending cuts there are are deferred to the future—in fact, Mr. Clinton has called for a $10 billion spending stimulus in 1993—while the taxes kick in immediately. Next year, taxes would rise $37 billion, and there would be no net spending cuts.

### The Bush–Clinton Era

Although the theme of the Clinton budget proposal is "change," in reality it perpetuates George Bush's economic policy. Domestic expenditures rose by $200 billion a year under President Bush, even after accounting for inflation and excluding the costs of the savings and loan bailout. If federal "investment" were needed to get the economy going, then America would have prospered under President Bush. Federal spending on categories Mr. Clinton calls investment—such as infrastructure, research and development, and Head Start—rose by $100 billion a year, or more than 40 percent, under President Bush. Yet these investments did not cause the economy to grow.

If the economy needed an immediate stimulus, as President Clinton argues, then it should have received one under his predecessor. The federal deficit rose from $153 billion in FY1989, Ronald Reagan's last year in office, to an estimated $330 billion in FY1993. The past four years have delivered the most powerful stimulus—by Mr. Clinton's Keynesian standards—ever in peace time. If the stimulus had worked, George Bush would have been re-elected.

The Clinton budget also repeats the mistake of President Bush's budget agreement of 1990. That agreement raised taxes by $165 billion in order to reduce the deficit. Instead, it contributed to an explosive growth in outlays, the highest five-year deficit in history, and an anemic economic performance. The Bush performance confirmed again that raising taxes in a weak economy is a recipe for stagnation.

### Right Goal, Wrong Policy

President Clinton is right to insist on a major deficit-reduction plan. In the absence of any change in current policies, the Congressional Budget Office forecasts a federal deficit of $400 billion in the year 2000, and over $500 billion in 2002. Federal deficits of this magnitude will place enormous pressure on interest rates and capital availability if U.S. private savings remain low. Capital flows from Japan, Germany, and other countries are drying up and no longer can be counted upon to finance U.S. deficits.

Furthermore, economic growth will not be sufficient to reduce the federal deficit without a major change in current fiscal policies. Even if we were to achieve the

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**Affluent older Americans, such as Ronald Reagan, should pay a higher deductible for medical care.**

government's high-growth assumptions—a 3.5 percent annual GDP growth rate and a 5.5 percent unemployment rate—for the rest of this century, the deficit would still remain about $200 billion through FY1998. The reason: entitlements will grow at about double the rate of the 3.5-percent real growth path.

The problem is that the Clinton plan is grossly inadequate. The White House plan would levy an enormous tax increase while reducing the deficit by only 25 percent.

### Five Principles for Spending Cuts

Mr. Clinton adroitly turned the tables on his critics. To those who say he has not come up with enough spending cuts, the president has said "Show me yours" and "Be specific." Well, Mr. President, here are our spending cuts. Our plan would balance the budget by FY1998 without a penny of new taxes and without requiring savage cuts to the most politically popular programs.

Our plan is based on five principles:

1) With the Cold War over, our military requirements are lower than Congress or the president are willing to acknowledge. Defense spending can be reduced without jeopardizing our vital national interests.

2) America must abandon the misleading concept of "mandatory" or "uncontrollable" outlays. The only types of spending that should be regarded as fixed obligations of the federal government are interest payments on the federal debt, expenditures for deposit insurance, and the real pension benefits of retired federal employees and current recipients of Social Security. All other expenditures are only uncontrollable to the extent that Congress chooses not to control them.

3) Several trends in federal spending must be recognized as unsustainable. Outlays for medical care have increased at roughly twice the rate of the gross domestic product. This increase cannot be sustained, and it is better to correct the condition early. Overall federal spending has increased from 16 percent of GDP in 1950 to 20 percent in 1970 to 23 percent in 1990, and a projected 28 percent by 2000.

4) A significant part of federal spending generates benefits for high-income people. Such benefits as Medicare, the school lunch program, and farm subsidies should be a special target for spending reduction.

5) Hundreds of domestic programs are no longer necessary, and many never were. The Small Business Administration, the Economic Development Administration, virtually the entire Department of Energy, and many other agencies should be abolished. Nearly $100 billion a year is spent on domestic programs that have been identified as candidates for termination by such independent agencies as the Congressional Budget Of-



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fice, the General Accounting Office, the Grace Commission, and the House Budget Committee (under the chairmanship of Leon Panetta, now Clinton's OMB director). They survive not because they serve any national interest, but rather because of political or parochial considerations.

### A Streamlined Defense

**Table 1** summarizes the August 1992 Congressional Budget Office estimate of the FY1993 budget and the forecast of the budget through FY1998. It conveys the magnitude of the task ahead: total outlays in FY1998 must be reduced by $311 billion to balance the budget by the end of that year. It also makes clear where the budget cutting must take place: three programs—defense, Social Security, and medical care—account for almost two-thirds of total program outlays. A "politics as usual" approach clearly will not do the job. **Table 2** shows our recommended savings to achieve a balanced budget.

The Cold War is over. We won. The Soviet Union has collapsed. We now face no substantial military threat to our vital national interests. So far, however, the Department of Defense has been busy fantasizing new missions rather than reducing forces to a level consistent with the new geo-political realities. Even the level of real defense spending proposed by President Clinton, although a step in the right direction, is much too high. He plans to devote about the same real funding to the military as during the peak of the Cold War in the early 1960s.

One of the primary reasons for a commitment to balance the budget is to overcome the bureaucratic and political resistance to reducing programs and budgets even when there is a substantial decline in the demand for them. Unlike private businesses, federal agencies almost never scrap a program or activity, no matter how ineffective or costly.

Several responsible groups of defense analysts have recently proposed U.S. defense programs that would reduce the real military budget to about one-half the FY1992 level by the end of this decade. These programs differ in some details, but share the following general characteristics, including:

- Eliminate land-based multiple-warhead missiles.
- Limit purchase of B-2 bombers to those now authorized.
- Reorient strategic defense initiative research and development to large-area defense against small attacks.
- Reduce active ground forces to six Army divisions and two Marine divisions.
- Reduce active tactical air forces to 12 Air Force wings, six carriers, and two (double) Marine air wings.
- Phase out all combat units in other countries.
- Reduce procurement rate of new weapons.
- Maintain an active R&D program.
- Increase relative reliance on Reserve and Guard forces.
- Reduce active-duty military personnel from 1.8 million to 1.1 million by 1998.

These changes would reduce total outlays for defense (including small outlays by other agencies) from about $290 billion to about $190 billion by FY1998. The only reason for not making this proposed reduction more rapidly is that conditions in the former Soviet Union are still too uncertain to be confident that a major potential threat would not come again from this source. The proposed budget and force structure is designed as an insurance policy for a nation without any major potential adversary, and should be modified later only if a major potential threat comes from any source.

The proposed force structure would be adequate to maintain a survivable strategic nuclear force, sufficient active forces to meet the types of minor, regional threats that might arise with short warning, and a sufficient mobilization base to respond to a major threat that could only develop over a period of years.

The proposed force would not be enough to maintain a global military presence and deploy a force the size of the one used in Operation Desert Storm, but there are strong reasons to question whether these capabilities are now worth the large cost. On completion of this proposed phase-down, a force as large as that in Desert Storm could be deployed only with substantial augmentation from Reserve and Guard forces. On balance, we regard this limitation as desirable; the willingness to call up Reserve and Guard forces is an important test of whether a flare-up of foreign unrest is a substantial threat to our vital national interests. Although these appear to be dramatic cutbacks, the proposed defense budget would be higher than that of any other nation, and much higher—adjusted for inflation—than in any peacetime year before the Cold War.

### Long-Term Reforms for Social Security

With a budget of almost $300 billion, Social Security has just passed defense to become the largest single program in the federal budget. Over time, Social Security has been interpreted as a political contract between the working-age population and retired persons. We accept that implicit contract and do not propose to reduce the real pension benefits of those who are now retired. This contract eliminates the possibility of any substantial saving in Social Security outlays in the near term, but it should not cause us to defer dealing with the immense long-term problems of the system.

We reject President Clinton's proposal to raise the tax on Social Security benefits because this significantly raises the marginal tax rate on the elderly, and unfairly punishes them for working and saving. It also does nothing to put Social Security on a sustainable basis. By contrast, two reforms would do this without breaking the contract with current retirees.

First, the increase in the retirement age that is already scheduled should be accelerated. Beginning in FY1994 the retirement age and early retirement age should be permanently lifted by two months per year for the next 30 years. Thus, the age for full retirement benefits would be 66 in 2000, 67 in 2006, 68 in 2012, and so on. Incrementally raising the age for receiving full benefits would cushion the impact of the demographic time bomb that will explode in the next 20 years when the baby-boomers begin to retire. Without a change in retirement age, the ratio of workers to retirees is expected to fall to less than 2 to 1 by the year 2030. Such a dependency ratio would place considerable strain on the


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## Table 1
## The Federal Budget Outlook: 1993-1998

| (Billions of Dollars) | Fiscal Years 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
|---|---|---|---|---|---|---|
| **Investments** | | | | | | |
| Defense | $297 | $284 | $284 | $287 | $290 | $293 |
| Social Security | 302 | 318 | 336 | 354 | 374 | 394 |
| Medical | 226 | 251 | 280 | 314 | 349 | 389 |
| Other | 482 | 487 | 491 | 507 | 520 | 565 |
| **Total Program Spending** | **1307** | **1340** | **1391** | **1462** | **1533** | **1641** |
| Deposit Insurance | 49 | 17 | 5 | -7 | -16 | -20 |
| Offsetting Receipts | -67 | -69 | -72 | -74 | -76 | -79 |
| Net Interest | 204 | 223 | 244 | 263 | 284 | 303 |
| **Total Outlays** | **1493** | **1511** | **1567** | **1644** | **1745** | **1845** |
| **Contributions** | 1162 | 1242 | 1323 | 1390 | 1455 | 1534 |
| **Deficits** | **$331** | **$268** | **$244** | **$254** | **$290** | **$311** |

**Source:** Congressional Budget Office, *The Economy and Budget Outlook,* August 1992.

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economy and a larger burden on today's children—the next generation of workers. It is also fair for the retirement age to rise along with increases in life expectancy.

The second recommended change to Social Security is to index the growth in future benefits—technically called the bend points and the earnings history—to the consumer price index rather than to wages. The benefit formula determines the starting cash benefit level of each Social Security recipient. It is based upon the earnings history of each worker. As real wages rise over the life of the worker, so does the starting benefit level. For example, a worker retiring today starts with an initial benefit level of about $600 per month. If this formula were indexed to inflation, future retirees would still receive increasing real benefits over time, but at a slower rate than currently projected. Real benefits under the formula would double rather than triple over the next 70 years. That change gradually would transform Social Security benefits from a floor on relative benefits to a floor on real benefits, protecting the poor but increasing the incentive of others to save so as to enjoy a higher level of retirement income.

Together, these two reforms would yield only minor savings of $5 billion to $10 billion by the year 2000. But the resulting savings would be more than $400 billion by the year 2030. Both reforms are essential if we are to avoid the 50-percent increase in Social-Security tax rates that would otherwise be necessary to finance the system over the next 40 years. Implementing the reforms early would give current workers a long period to adjust to the changes.

Domestic expenditures have been growing by more than 7 percent per year above inflation since 1989. This growth contrasts with the practices of businesses and households that have been tightening their belts substantially in response to the stagnant economy. The federal government should not be immune from the downsizing that has taken place in the private sector.

### A Sequester and a Freeze

Any credible plan to reduce the deficit should pull forward the hard choices. President Clinton's plan does not. It offers spending increases today while deferring to the future what few spending cuts he proposes. A commitment to longer-term fiscal restraint is not credible and will not have the desired effects on financial markets unless the major changes are initiated in the first year of a presidential term. The most realistic way to achieve long-term spending restraint is for President Clinton to adopt the following strategy:

1) The new president should call for a 4-percent across-the-board spending reduction, or sequester, effective in the second half of FY1993. The sequester should cover all programs in the domestic budget except Social Security. The benefit levels of other formula-payment programs would have to be reduced by 4 percent. For discretionary programs, the sequester would be carried out in much the same manner as the 1986 Gramm–Rudman sequester. This would permanently lower the baseline spending levels for every domestic program other than Social Security. The savings would multiply in every future year, thus setting a solid foundation for balancing the budget by FY1998. A principal virtue of the sequester option is that it would signal to the public, Congress, and financial markets that the new president is serious about reducing deficit spending during his administration's tenure.

The sequester would save $14 billion in FY1993 and more than $40 billion in FY1994. Rather than total spending growing by $111 billion, or 8 percent in


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Table 2

## Proposed Budget Savings: 1993-1998

| (Billions of Dollars) | Fiscal Years 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
|---|---|---|---|---|---|---|
| Defense | $0 | $16 | $41 | $61 | $81 | $101 |
| Social Security | 0 | 0 | 1 | 2 | 3 | 4 |
| Medical | 0 | 1 | 7 | 18 | 30 | 50 |
| Other Domestic | 14 | 35 | 41 | 58 | 72 | 118 |
| Net Interest | 0 | 2 | 8 | 16 | 30 | 49 |
| **Total** | **14** | **54** | **98** | **155** | **216** | **322** |

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FY1993, outlays would grow by $96 billion, or 6.6 percent—which is still double the rate of inflation.

2) A ceiling on all domestic outlays (other than Social Security) should be established at the projected inflation rate of 3.4 percent per year from FY1994 through FY1998.

3) Congress should be given the discretion to allocate funds among programs under the cap. For the overall ceiling to be enforced, any excess spending in one year would require a reduction of equal magnitude the next year. This approach would have several benefits. First, since overall spending would be allowed to increase at the rate of inflation, the package may be politically viable. Second, the overall cap would force programs to compete with each other for funding. Congress would be forced to curtail the growth of medical care and other formula-payment programs because, if those programs were allowed to grow unimpeded, they would crowd out other domestic spending. During the Gramm–Rudman era of 1986–1989, when a similar cap on expenditures existed, funding for formula-payment programs increased at only 1 percent above inflation.

Many changes in current programs, of course, would be necessary to stay within the limits of the proposed freeze on real domestic outlays. Most important of all is medical care.

### Cutting Tax Subsidies for Health Care

For many years, the government has stimulated the demand and restricted the supply of medical care. The consequence has been rapid growth of both medical care prices and expenditures. Total expenditures for medical care have increased from about 5 percent to 14 percent of GDP over the past 30 years. The Congressional Budget Office forecasts that real federal expenditures for Medicare and Medicaid will rise by a 7.8 percent a year through the end of the century. Today, federal outlays for Medicare and Medicaid amount to $225 billion, not including state outlays for Medicaid.

Both the president and Congress appear ready to accelerate the explosion of medical care inflation and expenditures by broadening health insurance to the roughly 35 million Americans who are now uninsured. This unavoidably will increase the demand for medical care, thereby augmenting current pressures for raising medical care prices. Sadly, neither President Clinton nor Congress has yet designed a credible plan to reduce the rapid increase in medical prices and expenditures.

The crux of the medical-care cost crisis is contained in one statistic: since 1960, the share of health-care costs paid directly by the patient has declined from about 50 percent to about 20 percent. Given the dominance of third-party payments, neither patients nor physicians have an adequate incentive to control the costs of medical care. Meanwhile, the demand for medical care will continue to increase in response to an increase in real incomes and the relative size of the elderly population.

The primary focus of policy makers should be on reducing the growth of demand attributable to tax-subsidized private and public health insurance.

These subsidies should be reduced primarily for higher-income people to ensure that they bear part of the burden of balancing the budget. Tax-subsidized medical plans should be restricted to Medisave or to plans with a high income-tested deductible. One or more of the following measures should be considered as a way of achieving those objectives.

**1) Maintain the tax deduction only for Medisave plans.** A Medisave plan, in effect, is a medical IRA. Every person would be allowed a tax deduction up to a certain limit per year for funds set aside in a medical IRA. Individuals would be allowed to draw on these funds to purchase medical insurance or pay for out-of-pocket medical expenses. After a set amount is accrued in this fund, say $20,000, the excess may be spent for any purpose, and any amount remaining at death would be included in the person's estate. A full deduction for that type of insurance also should be extended to purchasers of individual plans.

**2) Either limit or eliminate the tax deduction.** A limit could be set at some rate, such as $150 a month, that would be sufficient only for a high income-tested deductible. In either case, reduce the payroll tax by a corresponding amount; elimination of the tax deduction, for example, would permit a 2.2 percentage-point reduction in the payroll tax for all workers with no net effect on federal revenues.

**3) Establish an income-tested deductible for the sum of payments under Part A and Part B of Medicare.** This


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deductible could, for example, first be set at 1.5 percent of adjusted gross income (AGI) in the prior year and then increased 1.5 percentage points each year for four years. Thus, beginning in the fifth year, the deductible would be 7.5 percent of the prior year's AGI, the same rate that is now in the individual income-tax code. Payments above the deductible, in most cases, would be fixed payments to the patient per illness or accident. The plan probably should be enlarged to pay for one free visit to a physician a year to encourage periodic examinations and preventive care.

**4) Establish a similar plan with a high income-tested deductible for all Americans, including those who would otherwise be uninsured.** This comprehensive catastrophic health-insurance plan would replace the current tax deduction for private insurance and the outlays for both Medicare and Medicaid. The plan should be augmented to pay for several free visits to physicians each year by pregnant women and infants.

All of these measures would reduce the growth of the demand of medical care, the relative inflation of the price of medical services, and total private and public expenditures for medical care. The measures are listed in the order of increasing budget savings. They would reduce the growth of outlays for medical care by at least one percentage point a year, so a $50 billion annual savings by 1998 could reasonably be expected. Even with such savings, outlays for medical care would increase at a higher rate than for any other major federal program.

### Welfare Savings

The federal government, along with the states and cities, spends roughly $200 billion per year on anti-poverty programs—almost three times the amount necessary to lift every poor family above the poverty level. Yet the poverty rate in the United States remains extremely high. As welfare expert Charles Murray of the American Enterprise Institute emphasizes, "The tragedy of the welfare state is not how much it costs, but how little it has bought." The system does not work well for either the poor or the taxpayer. The evidence suggests that welfare programs, as they currently are constructed, actually contribute to poverty more than they combat it.

One positive sign is that financially strapped state governments are beginning to experiment with cost-reduction reforms in welfare. The most ambitious of those experiments, designed to get people off welfare and into jobs, have been adopted in Wisconsin under Governor Tommy Thompson. Unfortunately, cost cutting is often discouraged by the current federal reimbursement scheme, because any welfare or Medicaid expense reduction means smaller checks from the federal government.

One method of spurring innovation in welfare and government health-care insurance is to force all states to pay at least half the cost of the Food Stamps, AFDC, and Medicaid programs. Under current law, the poorest states pay half the cost of these programs, whereas the richest states pay as little as 30 percent of the cost of these programs. This cost-sharing measure should be combined with a substantial reduction in the federal mandates to allow state governments increased flexibility to structure the supply of welfare services. This state participation would save the federal government $4 billion annually by FY1998.

The most important welfare reform is to consolidate AFDC, Food Stamps, public housing assistance, the earned income tax credit (EITC), and other welfare programs into a single public-aid program requiring job training. This single cash-payment program would require all able-bodied recipients, except for those with children below the age of six, to participate in a training program or to perform a public-service job if they are unable to find a private sector job. The program would have three benefits over the current system: it would reduce welfare cheating by weeding out those who are collecting welfare but working in the private sector already; it would instill in young Americans the idea that welfare is not a substitute for work; and it would eliminate many overlapping federal and state welfare bureaucracies.

Such a broad welfare overhaul may sound highly controversial and even cold-hearted. Yet many states, including Massachusetts and Michigan, have moved toward eliminating welfare for able-bodied adults, and these reforms have commanded broad public support. Moreover, President Clinton has spoken favorably of ending welfare assistance for those on the rolls for more than two years by arguing that "welfare should be a hand up, not a hand out." Senator Daniel Patrick Moynihan, one of the nation's experts on welfare, has advocated full-scale program consolidations. These reforms would save roughly $16 billion a year by FY1998.

**Under Mr. Clinton's plan, the deficit would be higher in FY1998 than when Ronald Reagan left office.**

### Reforming Unemployment Insurance

The unemployment insurance system also is badly flawed. Studies have shown that roughly one-third of all unemployment in the United States is a result of the federal government's perverse unemployment insurance system. It subsidizes layoffs and rewards those who become unemployed, encouraging them to stay unemployed. Yet in the past two years, Congress has made the unemployment insurance system even more rewarding by extending benefits from 26 weeks to 52 weeks or more. Almost all unemployment insurance claimants are able-bodied employable adults. Benefits could be delayed for one month upon job loss and reduced by 5 percent per week for 20 weeks. The Congressional Budget Office estimates that the savings from such reforms in unemployment insurance would be about $5 billion annually.



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Even many advocates of public housing now concede that the huge public-housing projects built in the 1960s and 1970s were an expensive mistake. Public-housing projects became unlivable centers of crime, drugs, teen pregnancy, juvenile delinquency, and a vicious cycle of poverty. Yet under George Bush, from 1989 to 1992, new public-housing starts accelerated. In almost all areas of the country today, the low-income housing problem is one of a lack of affordability, not a lack of availability. And the short supply of low-income housing in some cities is a result of counterproductive government housing policies, such as rent control, building-code regulations, and exclusionary zoning. No new public-housing units should be built. Instead, a housing voucher program should be available to very poor households. Experience indicates that vouchers are as much as 50 percent less costly than traditional public housing, translating into nearly $4 billion of savings each year.

### Domestic Priorities

Since 1980 only a handful of programs of the thousands in the budget have been closed down, despite a growing bipartisan consensus that tens of billions of dollars in savings could be generated by such measures. We recommend these additional spending cuts:

• **End additional U.S. financial support for the International Monetary Fund (IMF) and the World Bank.** The mission of the IMF and the World Bank is to promote development of less-developed countries. After tens of billions of dollars of U.S. investment in those multilateral organizations, there is no evidence that they have had any success in promoting growth in the countries they supposedly are assisting with their lending programs. Annual savings: $1 billion.

**The crux of the medical-care cost crisis is that patients now pay only 20 percent of their health bills.**

• **Reduce U.S. foreign aid to Israel and Egypt.** Israel and Egypt each receive more than $2 billion in U.S. taxpayer military and economic support each year. Considering the huge military budgets of these two nations and the elimination of the Soviet threat in the Middle East, the case for massive U.S. assistance has been substantially reduced. Annual savings: $2 billion.

• **Cancel the supercollider and the space station.** Increasingly, the scientific community is questioning the potential benefits to science and research of the supercollider and the space station. The scientific value of the space station's manned missions to the moon and Mars are not expected to come close to matching its $10 billion-plus, five-year price tag, according to the CBO, the National Research Institute, and the Office of Technology Assessment. Annual savings: $3 billion.

• **End Bureau of Reclamation water projects.** The Bureau of Reclamation was formed in 1902 to promote the economic development of the arid West. After 90 years that mission has been accomplished—often at the expense of the environment. Annual savings: $2 billion.

• **Phase out all agriculture crop subsidies over five years.** In the 1980s, farm subsidies were the fastest growth area in the entire budget, ballooning from $4 billion in 1980 to $30 billion in 1986. This year they will total $19 billion. These funds subsidize production of a whole range of commodities: cotton, wheat, wool, and corn. The Department of Agriculture concedes that two-thirds of the payments are made to the richest 15 percent of U.S. farmers. Annual savings: $9 billion.

• **End all Rural Electrification Administration (REA) lending and subsidies.** The REA, the federal government's greatest anachronism, was created in 1935 to bring electricity and telephone service to rural America. Its mission has been accomplished. More than 98 percent of all rural homes now have access to electrical and phone service. Yet the agency continues to lend over $2 billion at subsidized rates to rural electric co-ops each year. This is one of the few cuts proposed by the House Budget Committee that President Clinton has picked up. Annual savings: $1 billion.

• **Eliminate the Small Business Administration.** The best way for the federal government to help U.S. small businesses is to cut wasteful spending and the excessive taxes that pay for it. The SBA loan programs assist less than 0.5 percent of all small businesses. Annual savings: $1 billion.

• **Terminate subsidies for urban mass transit.** Since 1965 the federal government has spent nearly $50 billion on urban mass transit, yet ridership has declined since then. The 1990 census revealed that in virtually every city that built an expensive new rail project in the 1980s with federal support, mass transit had a declining share of the commuter market. Annual savings: $2 billion.

• **End funding for the National Endowment for the Humanities (NEH), the National Endowment for the Arts (NEA), and the Corporation for Public Broadcasting (CPB).** Art and culture play an important role in society, but that is not an argument for federal financing of such activities. Most programs of the type funded by the NEH, the NEA, and the CPB should and could be financed entirely with private money. The clientele for each of those programs tends to be the affluent, a group that can afford to pay for the art and culture they demand. Annual savings $1 billion.

• **Repeal the Davis–Bacon Act.** The 1931 Davis–Bacon Act requires construction contractors to pay their workers at least the "prevailing wage" on all federal construction contracts. In practice, the prevailing wage has become the union wage. It inflates the cost of the tens of billions of dollars of federal construction contracts by an estimated 30 percent. The Davis–Bacon Act also often leads to discrimination against those minority-owned contracting companies with lower-paid workers. Annual savings: $2 billion.

• **Cut all agency overhead by 2 percent.** The federal workforce grew by 140,000 workers between 1984 and



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**With the Cold War over, the United States can sharply reduce its global military presence. Defense expenditures can be cut by $100 billion a year.**

1992. The federal budget grew by 30 percent in real terms from 1989 to 1992. A 2-percent across-the-board reduction in overhead costs should be easily achievable without sacrificing government services. Even President Clinton has called for a 100,000-person reduction in the federal bureaucracy. Annual savings: $6 billion.

◦ **Eliminate the U.S. Department of Energy.** The U.S. Department of Energy was created by Jimmy Carter in 1977 during the height of the oil crisis. Since then, the DOE price controls and subsidies have cost U.S. taxpayers, consumers, and industry tens of billions of dollars. The length and severity of the oil crisis of the 1970s were directly attributable to the regulatory apparatus of DOE—namely, oil price controls. The lesson of the 1970s and 1980s is that energy markets serve consumers and industry best when the free market is permitted to operate. Annual savings: $6.5 billion.

◦ **Cut regulatory agency budgets by 25 percent.** Federal regulations grew at a rapid pace in the period 1989–1993, reversing the anti-regulation policies of Ronald Reagan. At the same time, the budgets of all regulatory agencies *grew at twice the inflation rate. That period proved that* more money and more regulators lead to more stifling regulation. Cutting regulatory budgets would unshackle business from frivolous regulatory burdens that have contributed directly to the current very sluggish economic growth. Annual savings: $1.5 billion.

### For the Sake of Our Children

Are the program reforms as outlined here politically achievable? That depends on how committed Congress, President Clinton, interest groups such as the business community, and, most important, the public are about tackling our $300-billion annual addiction to red ink. If Congress has a serious commitment to deficit reduction, we have laid out a serious, pro-growth proposal for accomplishing this goal. Compared with the president's budget plan, it accomplishes roughly three times as much deficit reduction. Making the tough choices will not be much fun for our federal politicians, but if they are not willing to do so, they are part of the problem and should be replaced. Yes, it can be done. No, it won't be easy. But for the sake of our children and grandchildren, it's time to get started. ☎



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# Bay State Boomer

## Bill Weld Talks Tough on Taxes, Tough on Crime

### An Interview by Adam Meyerson

Governor William Weld of Massachusetts catapulted to national attention when he took office in early 1991. Here was a Republican fiscal conservative taking charge of the most liberal state in the nation, replacing Michael Dukakis no less, and in sharp contrast to most other American governors, he was cleaning up the fiscal mess left by his predecessor through spending reductions rather than tax increases.

Once touted as the "Great Libertarian Hope" because of his combination of fiscal conservatism and pro-choice, pro-gay-rights social liberalism, Mr. Weld has lost some of his luster among limited-government enthusiasts since he embraced a draconian recycling measure at odds with his libertarian principles, pushed for a state venture-capital fund that looks like a Massachusetts version of national industrial policy, and called for a number of new spending initiatives in his fiscal year 1994 budget.

Even so, Governor Weld remains on everyone's list as a major contender for national Republican leadership in coming years, particularly if he is re-elected as governor in 1994—he has said he will not challenge Teddy Kennedy for the Senate that year. Re-election is not a shoo-in, because Bay State unemployment remains high, and because it is unlikely that the Massachusetts Democratic Party will be as divided in 1994 as it was in 1990 when many social liberals voted for Mr. Weld in protest against the Democratic candidate, Boston University president John Silber.

But should the state economy pick up—and economic growth is his top priority for the next two years—the governor will be hard to beat in 1994. One potential opponent, Representative Joe Kennedy, already has bowed out of the race.

To be considered seriously as a GOP presidential or vice-presidential candidate, Mr. Weld at some point will have to find an issue where he can win the enthusiastic support of social conservatives. Conservative evangelicals and Catholics are now distrustful of the Massachusetts governor because of his strongly articulated pro-choice and pro-gay-rights positions. He will have to attract them on something else if he aspires to lead his party nationally.

In late January 1993, I talked with Governor Weld about his record in Massachusetts, the principles he has used to restore fiscal balance to state finances, his views of the future of the Republican Party, and his own priorities for coming years.

—A.M.

***Policy Review:*** **Inheriting a state fiscal crisis from Michael Dukakis, you became a national hero among taxpayer groups by balancing the 1991 and 1992 Massachusetts budgets through spending reduction, not tax increases. You even cut the personal income-tax rate from 6.25 percent to 5.95 percent. What principles guided your decisions about where to cut state spending?**

**Weld:** We had to cut spending almost everywhere, because when we came in we were one notch above junk-bond status in our bond rating. If we'd fallen one more notch, that would have been the governmental equivalent of bankruptcy. Every fiduciary would have had to sell all the Massachusetts paper it was holding because we would have been below investment grade. So the overwhelming need was to show the markets that we were serious about living within our means, which we had not been for the previous several years.

The top priority was to get a grip on the accounts that were spinning most wildly out of control. One was welfare, where we reduced the caseload from 38,000 to 22,000 by purging able-bodied adults without children from the General Relief rolls and targeting aid to the elderly, the frail, and the handicapped—people who, by anybody's estimation, need the help.

Previously, if you were over 45, slightly obese, and without a stable work history, you would have qualified for full-time taxpayer support; that means I would have qualified for welfare under the old system. Ex-convicts qualified for welfare by virtue of being ex-convicts. Substance abusers qualified by virtue of being substance abusers. When I argued that this was ridiculous, my opponents responded, "Well, you have to support these ex-convicts, or else they'll go back to a life of crime." But I won the argument, since my opponents couldn't very well argue that these people were so incapacitated that



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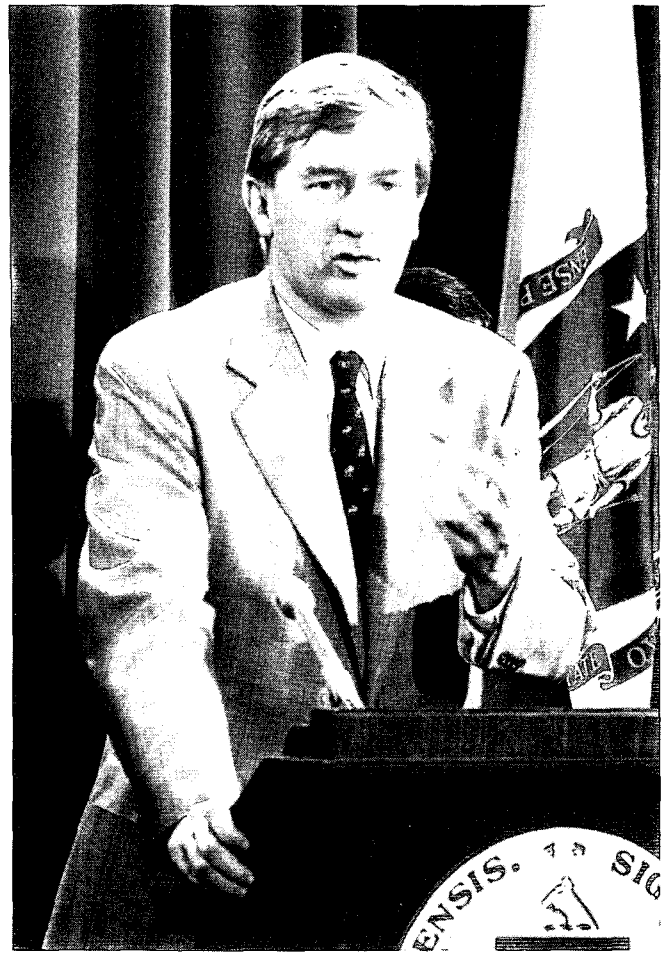
they needed full-time taxpayer support, and at the same time argue that they were going to become cat burglars if we didn't give them that support.

We examined all services being delivered by the state to see whether they could be better delivered by the private sector. We found some major candidates for change there. We consolidated the state's public hospital system, closing some facilities that had been operating at only 16 percent of capacity. That saved us $60 million a year, which we plowed back into the delivery of services through a community-provider network. It also saved us $144 million in capital expenses we otherwise would have incurred to renovate the buildings over the next few years.

Privatization has helped us reduce the state payroll by 7,500 employees while improving the quality of the services being delivered. In the case of the public hospitals, for example, we can prove that each and every patient is receiving equal or better care in a community setting. We've also privatized ice-skating rinks, and now they're open year-round instead of during just the winter months.

And you don't have to take my word for it. The relatives of former state hospital patients tell us their loved ones are receiving more appropriate, more dignified care. Youth hockey organizations tell us they're delighted with the new management of the rinks. In fact, about the only people who don't like privatization are the state employee unions and their allies in the legislature. Although we invite state employees to submit proposals for contracts that we put out to bid—we're not anti-state employee, we're just anti-monopoly—the unions see privatization as an attack on their existence. So we're constantly fending off legal and legislative challenges to privatization.



Statehouse Photos

**Governor William Weld: "The way for Republicans to win in 1996 is by emphasizing that free markets and free trade and open competition produce job growth and wealth for people to dispose of as they wish."**

***P.R.:*** **Medicaid expenditures were rising 18 percent a year under Michael Dukakis, three times as fast as the caseload. Last fiscal year you brought Medicaid spending growth down to 8 percent, just above the caseload growth of 7 percent. How did you achieve these savings, and what lessons can you offer other governors?**

**Weld:** For fiscal year 1994, we're bringing the growth of Medicaid expenditures down to 4.1 percent. Medicaid costs rose 70 percent from 1988 to 1991, and they will grow only 25 percent from 1991 to 1994.

These savings mainly come from three areas. We restructured our rates to favor low-cost providers of acute care and long-term care. Before, we reimbursed providers retrospectively on a cost-plus basis; now we inform them in advance that we will pay no more than a certain price for each procedure. Second, through private management, we greatly reduced the costs of Medicaid's mental health and substance abuse programs. Third, by tighter screening of admissions for nursing homes, we're moving to long-term care in the home for patients who don't need to be in an institution.

The key to reducing Medicaid costs is through a managed-care system that moves the delivery of Medicaid services out of the acute-care hospitals and nursing homes, which are the most expensive form of health-care delivery, and into community hospitals and outpatient clinics and home-based health care delivery. Presently, you need waivers from Uncle Sam to do most of this. I was sorry to see the Bush administration shoot down the Oregon waiver application for its Medicaid experiment last year. I'm glad President Clinton says he'll let the states experiment here; he was a strong supporter of Medicaid waivers as governor.

As to how to control health-care costs in general, I think a system of managed competition is probably the best road for the nation to take. "Managed competition," which has become a buzzword in Washington, means different things to different people. By my definition, it means multiple payers, multiple providers, consumer choice, and across-the-board limits on the value of any federal tax deduction applied to the purchase of health insurance. It also means no arbitrary budget established by Washington to determine what a "fair price" for health care might be. I inherited a rate-setting model in Massachusetts when I became governor, along with the highest hospital costs in the United States. By deregulating hospital prices, we've seen the first price competition in health care in Massachusetts in 10 years.

***P.R.:*** **The state legislature so far has rejected your calls**



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**to lower further the state personal income tax from 5.95 percent to 5.75 percent, and to phase out the capital-gains tax so that it is totally eliminated for investments of over six years. How are you making the political case for these tax cuts, and how will you put political pressure on legislators who oppose these initiatives?**

**Weld:** I point out that we have 8.6-percent unemployment in Massachusetts. This part of the country has been absolutely ravaged by job loss over the last four years. We are subject to competitive pressures from other states and markets abroad that we were never subject to before. And if we can't stand up to the increased competition in this globalized economy, we're going to continue to hemorrhage jobs, which is bad for everybody. It's bad for the individuals who are out of work, it's bad for their families, and it's bad for the social-service advocates who want to spend money on worthy causes, because the state isn't taking in as much tax revenue.

My strongest case for tax cuts comes when I parade in 50 business leaders—who are, after all, employers—who tell the legislature, "Look, if you triple the investment tax credit from 1 percent to 3 percent, it's going to make a difference to me. I will perceive Massachusetts as a more business-friendly environment. If you greatly increase the research-and-development tax credit up to 10 percent, so that Massachusetts has the most generous credit in the country, it's going to make a difference to me. Conversely, if you raise the sales tax, or if you raise the income tax, that's going to tell me that we don't have the kind of stability here that we want."

Phasing out the capital-gains tax is especially important for fledgling high-tech companies, which typically can't afford pension plans at the beginning but instead compensate their employees with stock ownership.

## "Abortion's a bad thing, not a good thing. I'm just not enthusiastic about having the government make abortion decisions."

These companies will be able to keep their employees longer at the crucial start-up stage if their employees know they won't have to pay capital-gains taxes on stock they keep over six years.

Employers have to be able to plan ahead. If they fear that a legislature is going to change the tax rate at the first sign of rain instead of tightening its belt, they're not going to expand here; they're going to expand somewhere else. They're not even going to set up business here. This argument has been fairly persuasive with the legislature as we've cut taxes four times: we cut the state income tax, we enacted a state research-and-development tax credit, we phased out the state's estate tax, and we repealed a sales tax on business services. And I think eventually we're going to get the increase in the investment tax credit.

One thing we've done this year that is different is to put money back into people's pockets by cutting Registry of Motor Vehicle fees. That's something we can do ourselves, without legislation. So I guess you can say we've become a little more clever during the past two years about implementing supply-side economics.

***P.R.:*** **The state legislature also has not yet moved on your proposals to expand public school choice, permit the establishment of teacher-run charter schools, or to repeal the constitutional ban on public funds for private and parochial education. How are you making the political case for vouchers that could be used in private schools? How much political popularity is there for this idea?**

**Weld:** If you believe, as I do, and as I believe most citizens of Massachusetts do, that change is necessary in the public school system, there's no reason to rely entirely on the people now running the system to bring about that change. A fresh breeze of competition blowing from without the system can be just as effective as, or even more effective than, somebody advocating change from within the system.

We have a pilot cross-district, public-school choice program in this state, which communities have to elect to join. Some local officials and school administrators have complained that it puts pressure on districts that lose students. And my response is, "That's right! That's what it's supposed to do." I have heard from parents in districts that are losing students that they are delighted with the new-found responsiveness of the officials in their schools.

These are parents who are not choosing to send their kids to other places, but who are benefiting because competitive pressures are improving their kids' schools. That's how a choice system is supposed to work; simply having the choice to go to a different school, even if you do not exercise that choice, can make schools better.

The two biggest proponents of school choice in the state are the Senate president, who is a Democrat, and me. We're going to keep pushing it this year. The teachers' union is very much opposed; it's opposed to change in general, except for more money. Many legislators, municipal officials, and school administrators also oppose choice because of fear of the unknown or because of union pressure. But it's a very popular issue among parents, who say, "Look, rich people already have choice. This is just extending choice to other people." And they're absolutely right.

***P.R.:*** **You have argued that women have the right to make their own decisions about abortion, and that this matter of individual choice "goes to the very heart of the principles upon which our country was founded." Do you agree with President Clinton's formulation, that he is for choice but against abortion?**


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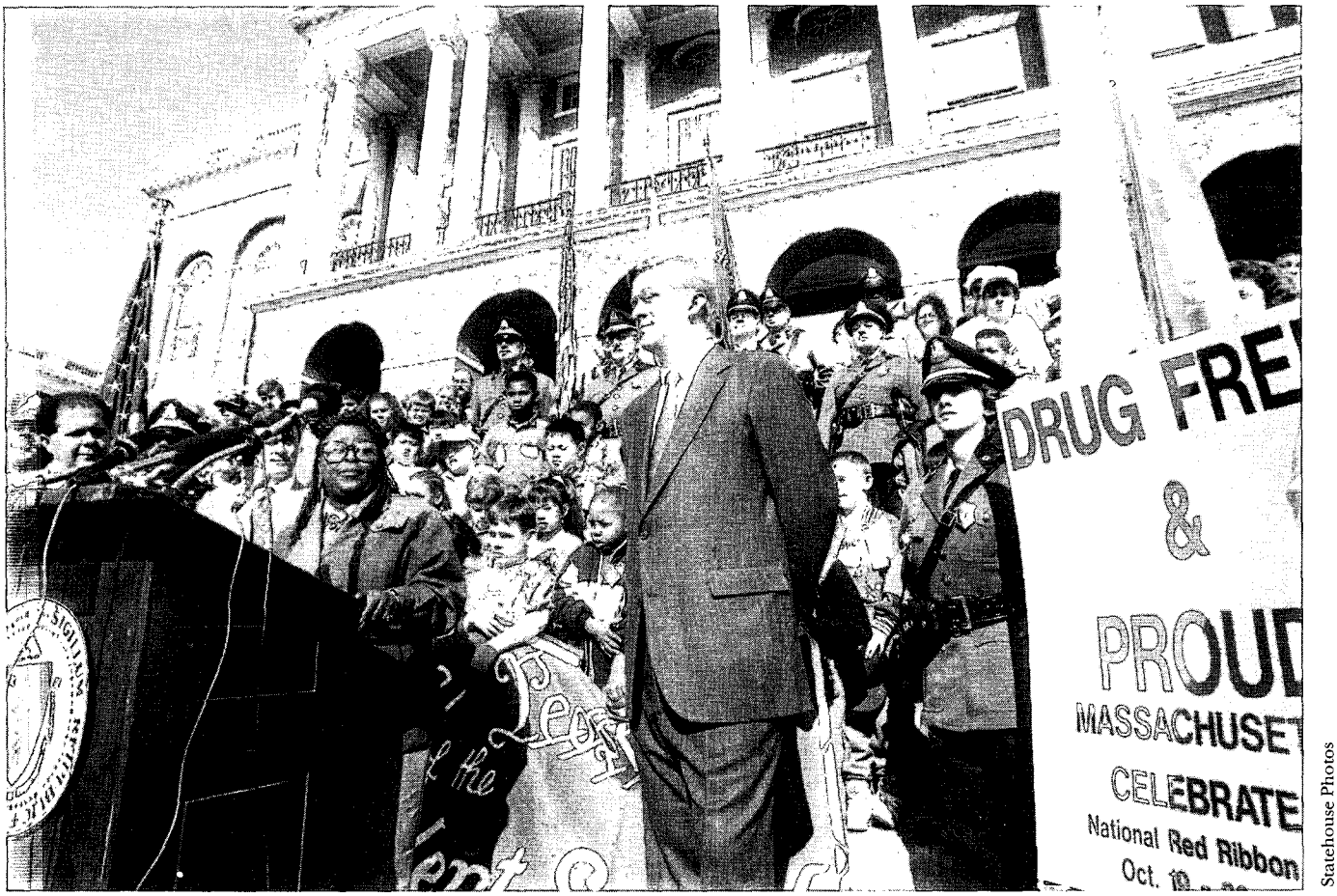


Statehouse Photos

**"Nowhere is there more enthusiastic support for my crime proposals than the inner city of Boston."**

**Weld:** My bill in Massachusetts would codify *Roe* v. *Wade*, which has a sliding formula for what's permitted, depending on the trimester. I generally say I am in favor of choice, and I don't go on to recite the formula, "while I personally deplore abortion," which is what Senator Kennedy and many other pro-choice politicians do. But I'd be happy to work with pro-lifers or anybody else in cutting down the number of abortions that take place in the United States. Abortion's a bad thing, not a good thing. I'm just not enthusiastic about having the government make abortion decisions.

I can tell you how my wife and I made a decision about abortion in our own lives. There was a potentially serious problem with one of my wife's pregnancies, and while the doctors didn't come right out and say, "You should terminate this pregnancy," it was fairly obvious what they were thinking. We decided to take our chances, and everything turned out fine; the result was one of our five children. We made the right choice, but it would have been unacceptable for this decision to be made for us by our state representative.

***P.R.:* Are you in favor of any government restrictions on abortion?**

**Weld:** Philosophically, I don't think government should be in the business of regulating abortion; I think it's a decision that should be left to individuals, their family, and their church. But, as a practical matter, I support the framework of *Roe*.

I favor one-parent consent for minors, not two-parent consent. I think if you require two-parent consent, there's too much danger of the girl becoming a political football between the parents if they're not getting along. If they are getting along, then one-parent consent is the same as two-parent consent.

***P.R.:* Do you think states should be able to set their own laws on abortion, or should this decision be made by the Supreme Court and/or the U.S. Congress?**

**Weld:** The best way for me to answer that is to say I believe we're talking about an individual right here. So, I support the *Roe* decision and I support the federal Freedom of Choice Act. I'm also comfortable with these decisions being made at the state level, again, subject to *Roe*.

***P.R.:* You have taken a strongly libertarian position on homosexuality, abortion, and many economic issues. And yet you strongly endorsed a ballot initiative that would have set stiff recycling requirements for packaging materials. Do you consider yourself a libertarian on environmental questions?**

**Weld:** No, I don't. Environmental conservation is an exception to my generally libertarian approach to public



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issues. Self-interest being what it is, nobody else but the government has the sufficient incentive, sufficient landownership, or sufficient economies of scale to protect the environment. That's why the government has to be involved. This proved to be a minority point of view, even in this state, in the case of the recycling initiative. It went down 61 to 39.

***P.R.:* Why do you think the recycling mandate was rejected so decisively?**

**Weld:** It was portrayed as an anti-jobs measure. People felt it would hurt the economy. I don't agree with that; I think it would have created jobs. I also think mandatory recycling is the wave of the future. I see it in Germany, Canada, I see it coming all over the world.

This is also a generational issue. When we get out of the economic problems we're in, the younger generation will insist on tougher recycling laws.

***P.R.:* Why did George Bush lose? And what are the major challenges for the national GOP in the wake of his defeat?**

**Weld:** I think people just decided Bush had been in the White House for 12 years, and they'd give someone else a chance. In that sense, I'm not sure I agree with those who say that George Bush blew it. The election probably had more to do with generations and cycles in American politics.

The challenge for the GOP is to make sure that we remain the most refreshing source of ideas, which I think we are right now. Over the next four years, you're going to hear more out of the Jack Kemp-Vin Weber-Bill Bennett-Jeane Kirkpatrick group, which I've joined, than you will out of the entire Democratic establishment.

**"Privatization has helped us reduce the state payroll by 7,500 employees while improving the quality of the services delivered."**

Let's remember that Clinton got only 43 percent of the vote, even after the national media had beaten up on George Bush for 15 months in a row. So there's ample opportunity to regain the majority position in the 1996 presidential election. The way to win is by emphasizing that free markets and free trade and open competition produce job growth and wealth for people to dispose of as they wish. People like that idea. It has the additional advantage of being a true idea.

The one danger would be to get distracted into a fight over social issues, where the party is divided pretty much down the middle. But I don't think anybody has any appetite for that. Just look at the Republican governors' conference in Wisconsin in November 1992, after the election. Every single speaker at that governors' convention made the point that we cannot afford to be portrayed as a party of non-inclusion, a narrow-minded party.

People often ask me, "What do think about Pat Robertson? Aren't you scared to death by him?" Not at all. Pat Robertson's more than welcome in my party, and I just hope I'm more than welcome in his. You need both of us to win elections at the national level. And to try to weed anybody out of the party, including Pat Robertson, is complete folly. It's not how you win elections. You can't win elections by starting with 51 percent and then seeing how many layers you can peel off and still stay over 50 percent. You add layers to the onion.

***P.R.:* Ross Perot won 23 percent of the vote in Massachusetts, only six percentage points less than George Bush did. Why were the Perot voters in Massachusetts so upset with the two major parties?**

**Weld:** I know a lot of people who voted for Perot in this state. Without exception they were angry or frustrated, especially by the economy.

Republicans can appeal to these voters if we satisfy them that we're serious about job creation, we understand the economic forces that are reshaping the world's economy, and we have a plan to deal with it. We also have to show them we're not a stand-pat, status-quo party, so we have to keep pressing for more responsive, less bureaucratic government—which is something that should be a natural fit for the Republican Party.

***P.R.:* A former prosecutor and head of the Justice Department's criminal division, you're a strong supporter of mandatory "no-parole" sentences, boot camps for juvenile offenders, and the death penalty for premeditated murder. Does crime offer the GOP a political opportunity to build a base, particularly in state and local government?**

**Weld:** I'm to the right of Attila the Hun on the issue of crime, and nowhere is there more enthusiastic support for my crime proposals than in the inner city of Boston and other cities in Massachusetts. The reason is that people who live in the inner cities are the ones most victimized by crime.

I'm fond of saying that there is no more important role for government than protecting the public safety. But for people who live in a high-crime area, that's not just some philosophical statement from a politician; it's a reality. They know that employers are not going to move into a neighborhood full of violence. They know that improving the quality of the schools is meaningless if their kids have to walk through a minefield to get there. They know that hope and opportunity are forever dashed when a young child is hardened by exposure to crime and violence as a way of life. In short, they understand—as Republicans do and Democrats seem not to—that the worthiest social program is doomed to failure unless the streets are free of crime.



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When I was U.S. attorney for Massachusetts, I worked closely with a woman from the Roxbury section of Boston named Georgette Watson who started a neighborhood-watch program called Drop a Dime on Crime. When I ran for governor in 1990, Georgette was one of my earliest and biggest supporters.

So I guess my advice to Republican candidates for municipal office is, first, stick with a tough-on-crime stance. Second, don't concede these traditionally Democratic areas. And, third, get in there and talk to people. You may be surprised at the reception you get.

***P.R.:* If your major achievement over the past two years has been to restore fiscal stability to state finances, what do you want to be most remembered for in the next two years?**

**Weld:** Fiscal stability is still important; it's something that can be lost if you don't pay attention. I would like to emphasize job creation, see the unemployment rate go down, see the aggregate wealth of the state increase, try to get us to number one in average income by 2000—I think we're now number three among the states of the union. I'd like to focus on education and worker training.

Mature industries are shedding jobs, not just in Massachusetts but around the country and the world, because competition no longer favors hierarchically organized companies built around economies of scale. That has implications for government economic policies. I'd like to position Massachusetts as the capital of the Atlantic Rim by the year 2000, by competing for high-end, high-wage industries that are likely to grow, instead of competing for smokestack industries that are likely to shrink.

So the number-one priority is fiscal stability, and number two is job growth. Three, four, and five would be education and training, crime, and environmental protection. And that's plenty. If you've got a priority list that's too long, it isn't a priority list any more.

UPI/Bettmann

**"Pat Robertson's more than welcome in my party, and I just hope I'm more than welcome in his."**

***P.R.:* Who are your heroes?**

**Weld:** Of current politicians, I would say Premier Vaclav Klaus in the Czech Republic, and President Carlos Salinas, Finance Minister Pedro Aspe, and Trade Minister Jaime Serra Puche in Mexico. The Mexican leaders have taken over an economy that was a basket case and made it succeed by pursuing radically different policies from their predecessors. Klaus is leading the Czech Republic in an even sharper change in direction, and the early indications are that he's going to be successful.

I feel very strongly about conservative fiscal and economic policies. Even if all you care about is human-services spending, you should pursue conservative economic policies, because that's how you bring about the healthiest economy and the best tax base.



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# Perovian Civilization

## Who Supported Ross, and Why

**Frank I. Luntz**

Intelligent Republicans and astute Democrats both realize that the Ross Perot constituency is the most important swing vote in America today. Whichever party wins the lion's share of the Perot vote will be guaranteed a governing majority for the next decade, if not the next generation.

Mr. Perot won a higher share of the popular vote in 1992—19 percent—than any third-party candidate in 80 years. He topped 20 percent in 31 states, including all but two states from the Great Plains westward. He captured more than a quarter of the under-30 male vote, Ronald Reagan's best gender/age constituency, as well as 22 percent of all first-time voters. More important, his candidacy convinced millions of disgruntled voters to return to the ballot box. This newly expanded electorate holds the key to America's political future.

Mr. Perot probably would have won even more than 19 million votes had he not abruptly pulled out of the race in July. At his peak, in early summer, Mr. Perot enjoyed the support of 38 percent of the American electorate—more than either of his two opponents.

### Clinton Comes Courting

Ross Perot's electoral success was partly due to his mastery of modern communications media. As an articulate but non-political outsider, he was able to shake to the core a political system that had evolved to protect the institutions and insiders that work within its walls.

He also emerged as the spokesman for a segment of society that until then had no voice. As Mr. Perot acknowledged on many occasions, he did not create his political movement. He was more of an expert surfer skillfully riding a wave of fundamental voter discontent. This wave has not lost its momentum.

Today President Clinton, under the tutelage of his political adviser James Carville, very consciously is using rhetoric to court the Perot voters. Proposals to expand government spending and regulation are cloaked in pro-business, pro-entrepreneurship language; tax increases are justified as shared sacrifices for a brighter future; campaign finance reform and cuts in the White House staff are pushed to appeal to the anti-politician mood of the American people. The State of the Union address contained phrases and passages lifted from earlier Perot speeches, and Democratic leaders never pass up an opportunity to evoke Mr. Perot's name. What Republicans have done to attract the Perot constituency is anyone's guess.

### Danger Signs for the GOP

In early summer, the Perot candidacy was an easy stopping point for protestors against George Bush who were not yet prepared to elect a Democratic president. "You don't send people to war from a golf course," said one disgruntled Perot Republican during a focus group session. "Read my lips. I'd vote for a squirrel before I'd vote for Bush," offered another. She was joined by a good number of Reagan Democrats, Buchananites, suburban upper-middle-class moderates, and other disaffected Republicans and independents who had voted enthusiastically for Ronald Reagan and reluctantly for Mr. Bush in 1988.

Mr. Perot served the same capacity for disenchanted Tsongas and Jerry Brown Democrats who disliked Bill Clinton but still wanted George Bush tossed out of the White House. With Mr. Clinton, the attacks by Perot supporters were unusually personal. Said a Memphis Democrat: "You know he's lying." Suggested another from Philadelphia, "Clinton could sit around and swap war stories with Dan Quayle."

On Election Day, more than half of the Perot vote came from traditionally opposing camps: while 43 percent of the Perot vote thought of themselves as independents, almost a third (31 percent) identified themselves as Republicans and more than a quarter (25 percent) as Democrats. Ideologically, Mr. Perot won 18 percent of the liberal vote, 21 percent of the moderate vote, and 17 percent of the conservative vote.

As were his summer supporters, the typical Election-Day Perot voter was white, male, middle-class, and married. However, one significant difference between

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**The term "conservative" has only limited appeal to the Perot constituency.**

summer supporters and fall voters was in age: younger voters stayed with Mr. Perot while older voters moved to other candidates. In July, just over half of Mr. Perot's supporters were 44 years old or younger. By November, the 44-and-under vote accounted for two-thirds of his support.

Republicans have won a majority of these voters in every election since 1972, and their rejection of George Bush (just 36 percent voted for his re-election) and attraction to Ross Perot spells serious trouble for the GOP unless it can win these voters back. This is particularly true in the Plains and Rocky Mountain states and in California, regions of enormous Perot strength that Republicans used to take for granted.

Recent history suggests that the Perot constituency now will move to one of the two principal parties. Strom Thurmond's 1948 Dixiecrats returned to the Democratic Party by 1952. The Democrats who followed George Wallace out of their party in 1968 voted for Richard Nixon in 1972 and became committed Republicans because of Ronald Reagan. John Anderson took what remained of Rockefeller Republicanism out of the GOP in 1980 and they have not been heard from since.

Which party will Mr. Perot's supporters move into?

Research conducted by the Perot campaign offers some insights into what Democrats and Republicans must do to vie successfully for the Perot constituency. Ross Perot's dislike for polling and pollsters is well known. However, his campaign manager did authorize an intensive series of focus groups that were conducted in Philadelphia, Memphis, Detroit, Los Angeles, Denver, and Tampa during the third and fourth weeks of June, when Mr. Perot's national popularity was at its peak.

### What the Focus Groups Tell Us

Each session had 10 to 12 participants, and the wide-ranging discussions lasted roughly two hours. In addition to the organized give-and-take, participants were shown selected news clips of Perot appearances on "Meet the Press" and the "Barbara Walters Special," as well as a National Press Club speech televised on C-Span, and asked to express their reactions.

The most important purpose of these focus groups was to define, in their own words, what Perot supporters liked most about their candidate's persona and message, and to determine the greatest hesitations and concerns non-Perot voters had with the Texas billionaire. These focus groups were assembled before Mr. Perot's July



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**The Perot constituency is the most important swing vote in America today. Whoever wins it will have a governing majority.**

meltdown, and before many of his volunteers and supporters knew him for what he was, warts and all. Even so, to understand the Perot constituency, it is important to know what his supporters saw in him.

The focus groups revealed five major reasons Mr. Perot's supporters found him so attractive.

### A Life Outside Politics

"Thank God he has no political experience," said a Detroit male. "He has real experience. He knows what we need!"

Perot supporters did not think that success in politics alone qualifies an individual to be president, and the intensity of support for Mr. Perot was directly related to knowledge of his background outside politics. Not since the Eisenhower campaign of 1952 have so many voters come together to reject the traditional, political path to the presidency. Said a Tampa senior citizen, "I trust him. He's fresh. A man that comes from nothing is great."

Focus-group members deeply admired Mr. Perot's life achievements—his founding and building of a multibillion-dollar company, his rescue of his employees from a jail in Iran, his work for Vietnam prisoners of war and MIAs, his dispute with the General Motors bureaucracy. As one respondent commented: "If he could run that company, he could run America." Suggested another, "I hope he will apply what he did in business to government."

Perovians wanted Ross Perot to do for America what he did for himself, or, as one Memphis woman put it, "He takes care of his own. I'd like to be one of his own." For all his wealth and success, Mr. Perot clearly had the common touch. Offered a California participant, "He associates with people who work. He takes care of them and he's in touch with them." Not a single Perot supporter felt this way about their elected representatives.

A pro-business, pro-entrepreneurial spirit ran through every focus group. "He's very innovative. You can tell he's a brilliant man," concluded one Memphis supporter. Offered another, "We need somebody at the helm of this organization, someone has to ultimately say 'the buck stops here.'"

### An Anti-politician Politician.

Perot supporters looked at his personal and business history, and concluded that what he preached about the deficit and economic leadership was realistic, not just political rhetoric. Even when it became obvious during a heated exchange with Tim Russert on "Meet the Press" that Mr. Perot did not have the details one would have expected from a presidential candidate, his supporters jumped to his defense. Said one California participant with pride, "He put the newsman in his place. It's about time someone did that. The media has gotten out of hand. Maybe he didn't have his figures, but at least he was honest." Added another, "He didn't tell a lie, he didn't do a fast shuffle, and he didn't try to bull___t his way out of it."

Perot voters felt that strong conditions called for strong leadership. As a Detroit male concluded, "He reminds me a little of a dictator, but maybe we need that approach to intimidate the people in Washington." Added a Philadelphia supporter, "Every big businessman has a little Napoleon in them, but it might be time to get rid of the politicians."

For most Perovians, career politicians such as George Bush and Bill Clinton could not be trusted on economic issues. As a Detroit supporter concluded, "They all have problems this long. Only Perot has a resumé."

"We need someone who's not a politician. Perot's a breath of fresh air," said a Tampa female.

No one should misjudge the tenor of Perot voter cynicism toward the political system or its functionaries. Political heroes are few and far between, and almost no Perot voters spoke well of any current elected official. Distrust, anger, and bitterness arose whenever they were asked about the state of politics. "Everybody's lying to us. The people who should be doing something for us are not," said a Philadelphia female. Offered another, "Politicians are out to hurt us. They're only in it for themselves. I have no one I can respect or look up to." Concluded a Los Angeles participant, "The party's over for the big boys at the top."

The genesis of this anger relates to breach of trust. A consistent theme in all of the pro-Perot focus groups is that those seeking elected office were making promises



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they knew they could not or would not keep. Again and again, Perot voters echoed comments like, "Candidates won't do what they say they're going to do. They just make speeches and build mountains." Candidate integrity and credibility is the single most important personal attribute to Perot voters.

The focus-group members agreed with Mr. Perot's claim that "the politicians" were irresponsible and should be held accountable for the deficit. Mr. Perot's National Press Club speech on the deficit was a classic: "I love the message coming from both parties. 'Can we buy your votes with your money this year? And by the way, we'd like to borrow $400 billion of your children's money this year.' Your first reaction is, how dumb do they think we are?" The first reaction by the pro-Perot focus groups shown this speech was instant applause.

This is where the anti-politician feeling comes through. A Los Angeles participant noted that "this is the year to throw the rascals out, and he's not a rascal." Mr. Perot earned much of his support because, according to several participants, "He scares the hell out of the politicians." Focus-group participants liked his apparent hatred of everything political. Said a Los Angeles female, "I want someone who's gonna rock the boat, someone who's gonna shake up the government. That's Perot."

One of the most telling elements of the focus group sessions was in the "quickie descriptions." When asked to use only one or two words to describe Ross Perot, the most common phrases among Perovians were: "fresh face," "doer," "fighter," "leader," "interesting," and "cares about the little people." Most of these words are not normally associated with politicians.

By comparison, Bill Clinton's perceived attributes could describe almost any contemporary politician: "slick Willie," "too polished," "crook," "inexperienced," "questionable moral character," "lacks leadership," and "a typical politician." Mr. Clinton's detailed plans and proposals smacked of politics as usual to most Perovians. Even Hillary Clinton came in for severe criticism. "He's manipulated by his wife. My son is nine years old and I don't want him listening to someone like that," said a female participant. "If his wife can't trust him, why should we?", asked a subsequent speaker, also a woman.

**"He takes care of his own. I'd like to be one of his own."**

George Bush did not fare much better: participants described him as "out of touch," "done nothing," "not in the picture," "underhanded," and "not again." Mr. Bush's failed relations with Congress ("weak," "leaderless") came under particular criticism, although it was also the only justification Republican participants used to defend his presidency. As a Memphis participant noted, "Congress is trying to make [Bush] look bad. All those Democrats in there want to make him look bad so he won't be president again." That respondent left the session supporting Ross Perot.

For Perot voters, different was better and change was necessary. To them, only Mr. Perot represented change.

### A Straight Shooter

"I believe the man is real. That's what makes him strong. It's his realness. You know what you're getting when you're going in," said a Detroit male.

In almost every focus group, someone invoked the memory of "Give-'Em-Hell" Harry Truman when describing Mr. Perot. It is ironic that both Mr. Bush and Mr. Clinton vigorously attempted to become the "Truman candidate," yet Ross Perot was awarded that mantle without any effort. These voters were desperately searching for someone to explain why things had gotten so bad, but in a way they could understand and relate to. That was Ross Perot.

**"I want someone who's gonna rock the boat, someone who's gonna shake up the government."**

The attribute of straight-talking cannot be over stated in explaining Mr. Perot's appeal. In contrast to Bill Clinton's often massaged and rehearsed rhetoric and George Bush's butchered sentence structure, Mr. Perot told it as he saw it. Concluded a Philadelphia participant after viewing Mr. Perot's National Press Club speech, "The [politicians] should all write their own speeches. This is plain talk."

Most candidates would give their right arm for comments like "He sounds too honest to be just another politician," or "He's not afraid to speak up and speak his mind or to offend anyone." In fact, even those only lukewarm toward Mr. Perot still granted him this virtue. Said one Perot opponent, "He's domineering, but honest, with good intentions."

Focus-group members were given a typical comment by Mr. Perot: "In plain Texas talk, it's time to take out the trash and clean out the barn, or it's going to be too late." This prompted a Los Angeles respondent to say, "He's an in-your-face kind of guy, and I like that." The other participants all nodded in approval. They hoped Mr. Perot would help them send what he called "a laser-like signal to Washington" on their behalf.

### A Vision of Hope for the Future

"I've got two children, and I'm looking to their future. I want someone in there that's really gonna think about the future," said a Memphis female.

Ross Perot offered a clear contrast both to George Bush's lack of direction for the future and to Bill Clinton's technocratic, eight-point plans, which made him seem even more like a politician. "We've had 12



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years of baloney, and I just don't want it anymore," concluded an elderly Tampa participant. Mr. Perot made voters feel that he was blazing a path to a better tomorrow. He offered a clear vision of the future, and he offered an end result, not just a process. If anything, he was too concerned with where he was going, and not concerned enough with how to get there.

Conventional wisdom suggests that Mr. Perot was a pessimist. But his doom and gloom message was wrapped in a concept of a brighter future. He always spoke of the light at the end of the tunnel, although the tunnel might be a long one. He attracted the support of people who did not want to be coddled by politicians who told them that they could have something for nothing. Mr. Perot was even able to make sacrifice sound attractive—as long as everyone was doing it, it would not feel like suffering.

**"Candidates won't do what they say they're going to do. They just make speeches and build mountains."**

Voters clearly responded to this two-layered message. In the focus groups, people who discussed their fears for the future consistently expressed a positive evaluation of Mr. Perot. One Philadelphia man said, "I will stick with Perot because people want to change. I'm afraid by the year 2000 we'll be a third-rate country, and I'm afraid for our children."

Mr. Perot's can-do optimism about the future struck many of the same chords that Ronald Reagan's did. Americans grumble about the way things are now, and we romanticize about days gone by, but we believe at our core that if we try, things will get better with time. It was this can-do optimism, so conspicuously missing from the Bush presidency, that encapsulated the Perot candidacy.

### Personal Empowerment

Ross Perot was the Jack Kemp of 1992. "You can't just go vote in November, send some poor devil up there, and go home. You're going to have to get in the ring, and act like you own this country." The pro-Perot group jumped at this advice from their candidate. He talked about people taking charge of their own lives—of standing up and being counted. One focus group participant said, "I have a right to voice my opinion. I have a voice because I participate." Said another, "Many of us are going to get into the campaigns and actually work to change something. That's what we need!"

Unlike Mr. Kemp, however, Mr. Perot called for an activism that crossed all partisan and ideological boundaries. Mr. Perot told listeners that it did not matter what you believed, it only mattered that you should take an active role in deciding who should run the country and how. "Maybe we need a strong president to turn things around, but it's also up to the grass-roots to get people out to vote," echoed a Tampa participant.

Mr. Perot concluded on many occasions that, "No one person can solve these problems that exist in our country. The only way we can solve these problems is for the owners of this country to start acting like owners again." Said a Tampa senior citizen in response, "I like the fact that he says we own the country. Everyone should vote and participate." Said another, "We as a people have to get in the arena and vote some of these jerks out. It's our responsibility."

### Radical Centrists

As important as what focus-group participants said was what they did not say. Mr. Perot did not take socially conservative positions on abortion, gay rights, gun control, and other divisive issues. Nor did his supporters ask him to. Social issues were discussed in fewer than 30 minutes of the 24 hours of focus-group sessions. Mr. Perot's agenda focused strictly on the economy, and that was literally the only issue of great concern for his supporters. Reaching out to the Perot vote must be done on economic terms. Raising the social agenda will fall on deaf ears.

It is also significant that in the 70-odd pages of focus-group transcripts, not once did a Perot supporter identify either Perot or himself as liberal or conservative. This suggests that ideology is irrelevant to Perovians, and that the word "conservative" may not be very useful in attracting the Perot constituency. Conservatives may want to come up with a new phrase to identify themselves. The term conservative, so useful in the 1960s through the 1980s, has only limited appeal to the Perot constituency.

Rather than liberals or conservatives, the Perot supporters can be described as "Radical Centrists," middle-class moderates who once made up much of Richard Nixon's Silent Majority but decided in 1992 to remain silent no longer. These Radical Centrists vocally demanded fundamental political change, rejected the current ideological spectrum and partisan politics, and were fed up with Republican–Democratic infighting in Congress. "It is uncanny that at the same time that Russia has changed its whole system, we desire strong change," observed a Perot backer. In essence, the Perot supporters were repudiating the political system as it currently operates, and not just its personnel.

**Congress was singled out repeatedly as an ineffective and broken institution by Perot supporters.**

Congress was singled out repeatedly as an ineffective and broken institution. "The Democrats and Republicans work against each other. What problems



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**As Mr. Perot acknowledged on many occasions, he did not create his political movement. He was more of an expert surfer skillfully riding a wave of fundamental voter discontent.**

can you solve that way?" asked one participant. "One man can't do anything with the way Congress is," said another. "Congress panders to special interests. They all link arms and hook up with special interests," offered a third. This raises a significant problem for Republicans. Most of their current national spokesmen, those individuals who will address the American people and the Perot constituency most often, come from a highly distrusted organization.

Opposing President Clinton therefore poses special challenges for Republicans who wish to attract the Perot vote. It has to be clear that opposition to the president is based on principle, not partisanship. It must be cloaked in plain talk, not inside political-speak. Otherwise, Perot supporters will conclude that Republicans are putting up roadblocks just to play politics. This will lead to their permanent rejection of the GOP.

But if Republicans make clear that, in their resistance to the President, they are fighting as advocates for the American people, and especially for the middle class, the outcome could be spectacular. So much of the Perovian anger was generated by the perception that "they're always shafting the middle class" and the pervasive attitude that "I'm tired of the government taking [and then wasting] my money." If Republicans can show that Mr. Clinton's new spending programs will come from the pockets of the middle class, they will lay a path for bringing these voters to the GOP. ☎



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# A Choice for Etta Wallace

## The Private Voucher Revolution in Urban Schools

**Patricia Farnan**

The school-choice debate is about to be transformed by a quiet revolution that is sweeping American urban education.

Across the United States—from Indianapolis to Milwaukee, from San Antonio to Atlanta—business leaders and other citizens are starting privately funded voucher programs that enable low-income parents to send their children to religious and other private schools. Most of the participating families are black and Hispanic, and their overwhelming response to the private vouchers suggests that inner-city parents are deeply unhappy with the education their children are receiving in public schools. Private voucher programs thus promise to change the political dynamics of the choice debate.

Taxpayer funding for school vouchers has so far been defeated almost everywhere it has been proposed. Powerful teachers' unions have mobilized to defeat such measures, and they have been joined by leading black and Hispanic civil rights organizations, which see public school employment as a major avenue of upward mobility for their constituencies. The American Civil Liberties Union and other organizations have also opposed voucher plans on separation of church and state grounds; even where limited publicly funded voucher plans have been approved, as in Milwaukee, they have been used only for secular private schools, not religious ones.

The new privately funded vouchers overcome these political obstacles. They can go to denominational schools without raising any question of church–state entanglement. They avoid the dangers of government interference in the affairs of private schools. They require no large coalition activity to initiate. Moreover, by concentrating on low-income families in the inner city, they can quickly make an immediate difference in the lives of the children who would benefit most from school choice.

### The Indianapolis 900

Privately funded vouchers have been discussed for some time, but the first business leader to make a major commitment to the idea was Patrick Rooney, CEO of the Golden Rule Insurance Company in Indianapolis. In August 1991, he established the CHOICE Charitable Trust, donating $1.2 million for vouchers enabling low-income children in Indianapolis to attend the private school of their parents' choice. The voucher covers half the tuition of any elementary student who qualifies for the federal free lunch program, with parents paying the remainder. The total amount of the voucher is capped at $800, one-half of the $1,600 that most private schools in Indianapolis charge for tuition. Parents who already send their children to private school are eligible if they meet the income criteria.

The response of low-income families has been overwhelming. CHOICE cautiously had anticipated that 100 to 200 students would participate in the 1991–1992 school year. But in the first three days after the announcement, 621 families requested applications. In the first year, CHOICE awarded 744 vouchers to eligible children, enough to fill every available space in the city's private schools. Other corporate leaders in Indianapolis soon joined Mr. Rooney in supporting CHOICE, and the number of vouchers rose to 944 in 1992–1993. Mr. Rooney hopes that private schools will expand, and that new ones will open, to meet the demand of the hundreds of parents on the voucher program's waiting list.

### The Choice that Made Milwaukee Famous

Business leaders in other cities quickly followed Mr. Rooney's example, and received a similarly enthusiastic response from low-income families. The Bradley Foundation and corporate donors are financing Partners Advancing Values in Education (PAVE) in Milwaukee, which provides half-tuition vouchers to 2,146 students, with about 900 students on the waiting list. The participating students are taking their vouchers to 78 elementary and seven secondary schools, including Catholic, Lutheran, evangelical Christian, Jewish, and independent private schools. By contrast, Polly Williams's much-acclaimed plan provides about 600 vouchers per year for use in eight schools.

Since publishing its first application in mid-April 1992,

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the Children's Educational Opportunity (CEO) Foundation in San Antonio has processed more than 2,300 applications, awarded 929 scholarships to students attending 73 different schools, and placed more than 1,000 students on the waiting list.

The Children's Education Foundation in Atlanta received 5,500 applications within nine days of offering its voucher program. Last fall, it offered 179 vouchers to cover one-half of private school tuition, with a cap of $3,000.

Even Bill Clinton's Little Rock now has a private voucher program. The Free to Choose Charitable Trust supports 18 low-income students attending private schools in Little Rock, with the hope of increasing this number to 50 in the next academic year. According to local businessman Blant Hurt, who founded the program, three times this many children applied for the voucher despite almost no publicity about its availability. New programs are being set up in Arizona, California, Florida, Maryland, upstate New York, and Washington, D.C., to name but a few. By fall 1993, it is expected that there will be at least 15 privately funded voucher programs across the country.

### A Helping Hand, Not a Handout

The half-tuition principle is an important feature of the private voucher programs. By providing one-half the tuition, resources can be spread over a greater number of children. Even more important, the programs aim to provide "a helping hand, not a handout." One reason private schools do a better job than public schools in educating low-income children is that parents often must sacrifice to send their children to these schools, and they therefore pay more attention to the children's schoolwork. Children are also more likely to apply themselves to their lessons when they know their parents have sacrificed for their sake. Requiring families to pay half-tuition gives both parents and children a greater stake in education. It encourages parental involvement and student responsibility.

It is a horrible indictment of public education that so many low-income parents will make the half-tuition sacrifice. According to Timothy Ehrgott, executive director of the CHOICE Charitable Trust, a third of the families in the Indianapolis voucher program earn less than $10,000 a year. These families still manage to pay their share of school tuition. "Sending my kids to Baptist Academy takes every penny I make," says Marsha Keys, mother of Renee and Randy. "We could have nice furniture. We could have a new car. But to have my children have an education, and know that people care about them, that's what counts. And my children know that Mom does care when I put them in this school." The Baptist Academy enrolls 250 low-income children; 39 of its students participate in Mr. Rooney's program.

School principals are full of stories describing the superhuman effort of parents working two or three jobs, cutting corners at home to manage their meager budgets, doing whatever possible to give their children the gift made possible by the CHOICE voucher. Sister Gerry O'Laughlin is principal of Holy Angels Catholic School in Indianapolis, with 175 kindergarten to sixth-grade students, all of them African-American. CHOICE "makes our school a viable option for our children. Without it, many of our families would be forced to leave because of financial difficulties."

Photo courtesy Golden Rule Insurance Co.

**Privately funded vouchers are the brainchild of insurance executive Patrick Rooney, pictured here with Indianapolis students.**

### Choosing Against Bruising

The beauty of the privately sponsored voucher programs is their simplicity. Grants are awarded on a first-come-first-served basis. There are no long, complicated forms to fill out. No academic test is administered. Parents can select any school that meets their child's needs, and that admits the child. Where a family lives does not determine where the child goes to school.

Safety, a strong emphasis on teaching values, and proximity to home are the most often-cited reasons parents give for participating in the voucher program. Reverend Charles Barcus, principal of Calvary Christian School in Indianapolis, says a fear of violence is a major reason low-income parents want to take their children out of public schools. According to Reverend Barcus, "A typical child who transfers from the public school to Calvary Christian has grown so fearful of physical harm and other threatening conditions that he has literally shut down his desire to learn. Parents come to me desperate to put their child back on an academic track. In many cases the risks are high, for the students are literally failing out of the public school. Nothing could


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Photo courtesy CEO Foundation

**Students from the Genesis Academy in San Antonio, Texas. The school credits the corporate voucher system with supporting 22 of its 31 students.**

be more rewarding than watching them blossom again into happy children with a strong curiosity to learn." Calvary Christian School enrolls mostly low-income children. One-third of the 105 students in the school participate in Mr. Rooney's voucher program.

Etta Wallace, mother of three boys now attending St. Mary Magdalene school in San Antonio, explained that she was tired of her children being attacked and beaten by gang members at the public school. "When I tried to transfer the children the school blamed my boys for the trouble. After many incidents, they finally transferred them to a school far from my home with the same gang problems as the school they just left. When I learned about the CEO Foundation program I was so relieved. Now they attend St. Mary Magdalene school and I have yet to be called for a single incident. The boys' grades are improving, and they are much happier in their new school."

Parents also come to the private schools seeking discipline and an emphasis on teaching values. "The values they teach in a private school are to respect other people, to respect the teachers and your elders no matter if the children think something is wrong or not. This training is very important to my child and our family, because we're a Christian family. And, for her to go to a school where she receives the same values that she's getting at home, it keeps her from being confused as far as what we're teaching her and what she's learning in the world," explains Debbie McClung, whose daughter Ashlee attends Capital City Seventh-Day Adventist School in Indianapolis. This school of 80 inner-city, minority students currently enrolls 43 voucher recipients. High expectations, respect for home and community, discipline, and hard work are part of a moral system of education that is central to the success of the private schools. As Sister Gerry O'Laughlin explained, "We work from a spiritual base at Holy Angels. That's what our families are looking for. That's what works with our students."

### Keeping Doors Open

The private schools that parents select are usually neighborhood schools. This is especially true in cities like Indianapolis, where parents fear for the safety of children bused to some far-away public school in another part of the city. Parents typically want convenient access to their children's school themselves, and the knowledge that their child is not traveling alone through the city is a great relief. One mother, Sandra Allensworth, expressed her feelings in a letter to Mr. Rooney: "Thank you so much for allowing my three children the opportunity to attend St. Andrew the Apostle parochial school. It is such a blessing and the school is only four blocks from our home. They previously were bused to a school many miles away. I love the school and so do the children, and the teachers and principal are so close and involved in helping the children to achieve to their best."


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St. Andrews enrolls 207 mostly African-American students, 40 of whom participate in the CHOICE voucher program.

An important effect of the voucher programs has been to keep open the doors of private schools that otherwise would have closed. "If the business community in Milwaukee had not come to our assistance, we would no longer exist," says Sister Leonis Skaar, principal of St. Matthew's School in Milwaukee. Like many of the parochial schools in the inner cities, St. Matthew's has lost most of its income as its parishioners have moved to the suburbs. Its costs have also risen as fewer sisters of religious orders are available to teach; many of the lay teachers have incomes above the poverty level only by working a second job.

Although the schools still operate on a shoestring, PAVE has allowed St. Matthew's to stay open. The voucher program is invaluable to these students challenged by the high-crime and gang-infested area of Milwaukee's near south side, where many children roam through the streets during the day, never attending school at all. The students of St. Matthew's are low-income and truly multicultural, including Hispanic, Native American, Slavic, black, and Hmong children.

The Genesis Academy, a nondenominational private school in San Antonio, credits the corporate voucher program with supporting 22 of its 31 students. The school, which opened its doors in fall 1992, enrolls pre-kindergarten through 12th-grade students, most of whom come from low-income and Hispanic families. Robert Lara, principal and classroom teacher at the Genesis Academy, noted with satisfaction the effect his school is already having on the students enrolled. "Our students are coming from public schools infested with gangs and drugs, and lacking the special attention these children need to succeed. When they arrive they are easily angered, with poor attitudes about school. Now they are more than academically better off—they are emotionally happier."

### Politicians Sign On

Beyond the effect of these voucher programs on the children they serve, their impact on the political environment of the nation is profound. Despite the defeat of voucher ballot measures in Colorado and Oregon, it is becoming more likely that a voucher program that includes religiously affiliated schools will pass.

In Maryland, for example, Governor William Donald Schaefer has included a voucher provision in his 1993 budget for up to 200 low-income children in Baltimore. The voucher, set at 50 percent of the overall per pupil cost or $2,908, can be used at participating non-public schools, including religious schools. The provision, now before the state House Appropriations Committee, has the support of Committee Chairman Howard P. Rawlings, a minority Democrat from Baltimore, and other key Democratic and Republican leaders in the legislature. If passed, the Baltimore program will be the first of its kind in the nation. As Governor Schaefer noted in his State of the State address, "Maybe its time to see how our public schools perform against private schools and parochial schools."

Governor Schaefer and Delegate Rawlings are not alone. Mayor John Q. Norquist of Milwaukee has endorsed the efforts of Governor Tommy Thompson to raise the limit of the number of students participating in the Milwaukee publicly funded school choice plan. He also promotes the inclusion of parochial schools "for choice to have a bigger impact on quality."

State Representative William Crawford, who represents a low-income, largely minority area of Indianapolis, has proposed voucher legislation similar to the Maryland provision. In Indianapolis, eligible low-income students would receive up to $1,500 to attend private schools, including religious schools. In Florida, state Representative Carlos Valdez is fighting to pass a voucher pilot program for low-income children identified as academically at-risk in Dade County. The voucher would provide almost $3,000 for children to attend Miami-area private schools, including parochial ones.

Connecticut state Representatives Tim Barth and James Amann have proposed school choice and vouchers as a means to desegregate the state's schools and improve the quality of inner-city education—an alternative to the busing proposal advanced by Governor Weicker. The Barth–Amann bill, supported by a bipartisan coalition in the state House, would grant parents a voucher worth a maximum of $2,500 per child to attend private schools, including those religiously affiliated. It also would allow for the interdistrict transfer of students in the public school system. Representative Barth is confident that his plan will garner the support of the full legislature. These efforts, and others like them, demonstrate the political viability of the issue on both sides of the political aisle.

### A Model for Business Philanthropy

It is no accident that politicians are becoming more interested in vouchers. They sense a growing constituency for choice, especially in low-income black and Hispanic neighborhoods. The best evidence comes from the long waiting lists of parents hoping to receive a voucher. In Milwaukee and other cities, politicians also are reacting to a groundswell from parents who are ineligible for private vouchers and want to know how their children can be included.

The private voucher programs offer similar opportunities for business leaders seeking to help inner-city education. Over the past decade, businesses have poured hundreds of millions of dollars into urban public schools. These efforts so far have failed to improve urban public schools or the skill levels of their graduates. Patrick Rooney's idea offers a different approach: instead of trying to improve public schools directly, why not give inner-city students the opportunity to go to private schools that already do a better teaching and discipline job than do public schools?



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# MITI MOUSE

## Japan's Industrial Policy Doesn't Work

KARL ZINSMEISTER

Over the past two decades, sharp increases in international business competition and the pace of commercial innovation have sent a series of tremors rippling through the U.S. economy. Highly visible industries—such as steel and automobiles—contracted and restructured. Venerable airlines, banks, and retailers failed. Even in thriving industries like computers, some high-flying pioneers ignominiously bit the dust. When the early 1990s brought recession followed by the doldrums of sluggish economic growth, many Americans seemed to panic. Looking for ways to soup up American output, they gave the White House keys to Bill Clinton, who promised "economic change."

Candidate Clinton made it clear that the way he would pursue long-term change was through increased governmental steering of the economy. "Mr. Clinton wants to pull the American economy in the direction of the managed capitalism found in Japan and Western Europe, where governments play a larger role than Washington in shaping industries and markets," summarized the *New York Times* in 1992.

### Clinton's Managed Capitalism

In the first months of the new administration we have begun to see exactly how President Clinton intends to use the federal apparatus to try to shape American industry. In late February, he unveiled an expansive new industrial policy with $17 billion of funding. The president proposes to remake the Commerce Department's National Institute of Standards and Technology into an aggressive, new technology-targeting agency. He says he will use U.S. national laboratories to do more research for private companies. He wants a national network of government-run "manufacturing extension" centers, a joint government–corporate program to develop "clean" cars, and a major government push to build a grid of so-called information superhighways across the country. The president says he will transfer billions of dollars from defense research into new programs that are supposed to produce civilian products instead. He has announced that the Pentagon's Defense Advanced Research Projects Agency will be renamed simply the Advanced Research Projects Agency, to reflect a wider set of responsibilities.

More efforts along these lines surely are coming. Last year Mr. Clinton campaigned on his "Rebuild America Fund," to which he proposed to allot $80 billion of fresh spending over a four-year period so that a government network of railways and roads, communications lines, and environmentalist public-works projects could be built. He endorsed a plan by Democratic senators to create a Civilian Technology Corporation that would coordinate private research and channel public funds to specific industries and companies.

Upon taking office, President Clinton set up a new National Economic Council in the White House to monitor trade patterns and protect "vital" domestic companies and sectors. Mr. Clinton originally conceived this panel as an "Economic Security Council," out of the notion that government's national security responsibilities extend directly into the realm of business and industry oversight.

He appointed as his chief economic adviser Laura D'Andrea Tyson, an unorthodox economist who argues that selective protectionism, subsidies to damaged and/or critical industries, and managed trade—meaning government negotiations to divide up the global business pie—will improve the well-being of American consumers. Ms. Tyson welcomes the idea of the federal government picking winners among technologies, and writes that it would be "criminal" to waste the peace dividend by failing to spend it subsidizing commercial technology.

The new administration also has hinted at a taste for trade protection and business subsidies. At his Little Rock economic summit last December, the president-elect listened sympathetically as corporate executives bemoaned foreign competition, and commiserated with them over the plight of the ailing old-line enterprises. Protectionist pressure has since been building fast, with big companies and unions from the airline, auto, steel, oil, semiconductor, agriculture, textile, apparel, and movie industries already in line by Inauguration Day. At the end of January, Commerce Secretary Ron Brown levied steep tariffs on steel imports, and the Treasury

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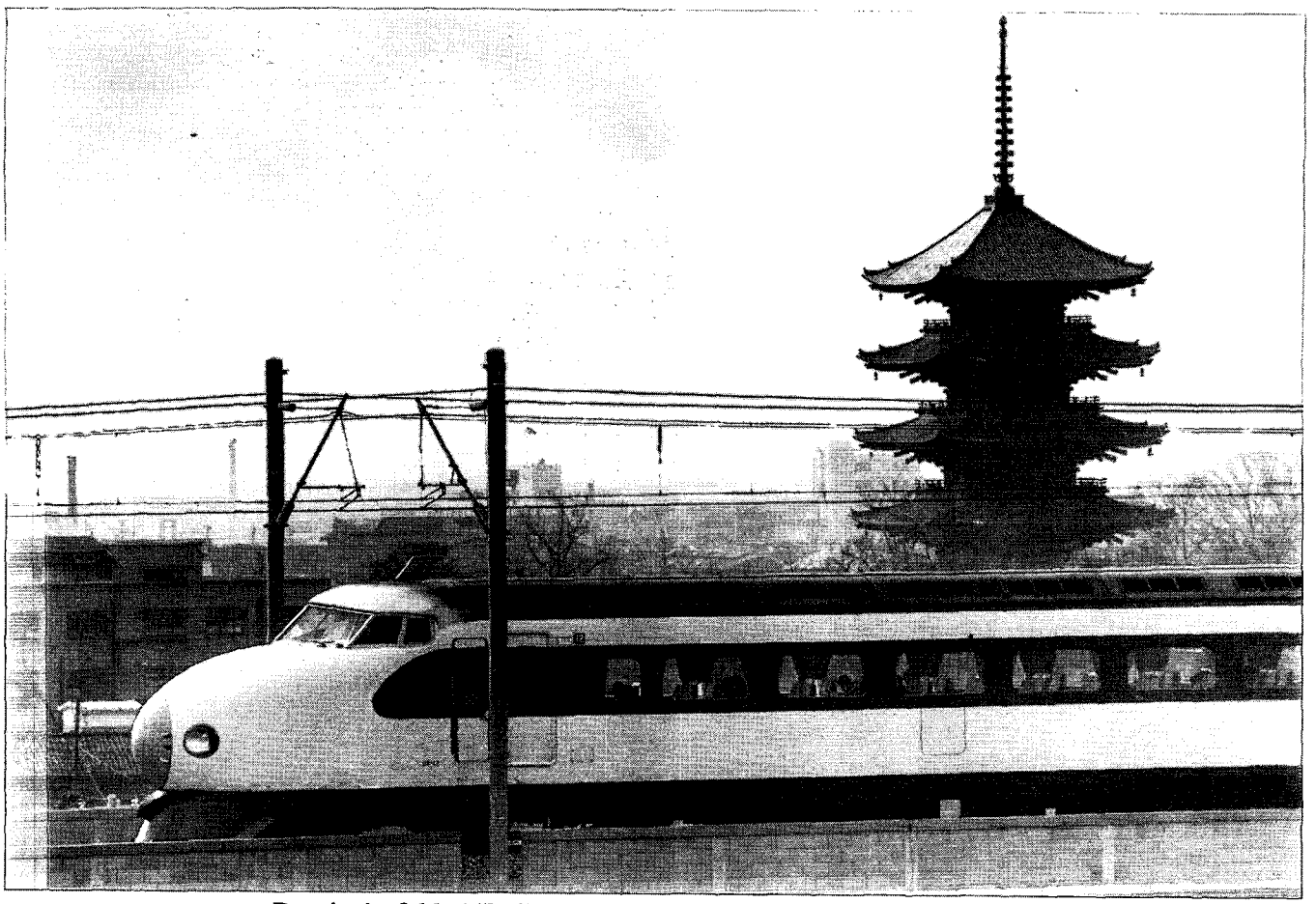

UPI/Bettmann

**Despite its fabled "bullet trains," Japan had one of the world's most inefficient national railways before privatization in 1987.**

Department began a review that could increase duties on minivans and sport-utility vehicles from 2.5 percent to 25 percent. In late February, Mr. Brown testified that the administration might formally charge Japanese automakers with "dumping"—selling their cars too cheaply in the United States.

### Meddlers in Markets

Some of the president's closest advisers have been calling for measures along these lines for many years. Longtime Clinton pal Ira Magaziner, who has been appointed senior White House advisor, urges an energetic industrial policy that would use public funds to subsidize or even create companies to compete with foreign firms. He calls for "American companies to get the kind of help from the U.S. government that virtually every other nation gives its business."

Clinton confidant Derek Shearer, who is on record endorsing nationalized government investment in critical businesses, promises the president will have a special "Japan policy." Financier Felix Rohatyn, a major Clinton campaign donor and one of his informal economic advisers, has proposed in the past, in tandem with Jesse Jackson, that politicians should use the accumulated pension funds of public employees for major industrial and public works projects around the country in order to provide state stimulus to the economy. In his book *Putting People First*, Mr. Clinton suggests that both private and public pension funds could be tapped as a source of funding for government infrastructure projects.

Robert Reich, economic director on the transition team and now the U.S. secretary of labor, has a long history of support for government industrial planning. In March 1992, he proclaimed to the *Washington Post* that "industrial policy is back, far more respectable than it was before. These ideas were anathema in the 1980s. But the world has changed since then. The Japanese leviathan is that much larger, the European Community looks more menacing, the erosion of the U.S. industrial base is that much more apparent."

The Clinton economic agenda is still taking form, but we know enough about the views of the president and certain critical advisers to expect that lots of experiments in government industrial management lie ahead. Whether the talk is of "infrastructure spending" or "trade realignment" or "technology targeting," the consistent new emphasis in the White House will be on increased planning, spending, and intervention by Washington overseers.

### Copying the Japanese?

Referring to other nations where government does more steering of the economy, Mr. Clinton argued during his campaign that we ought to "copy our competitors." The economic manipulations of France and some other European countries sometimes have been



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cited by Clintonites as examples. But today's favorite model for advocates of greater political orchestration of business activity is Japan. White House economic adviser Tyson argues that the "[Japanese] example may well provide the prescription ... for our own economic revival."

"Now that the competition between centrally planned socialism and market capitalism is over, interest in Japan's alternative way of organizing a market economy should be greater than ever before," argues Alan Blinder, President Clinton's second appointment to the Council of Economic Advisers. As part of a longer paean to Japanese industrial management written in 1992, Mr. Blinder rudely dismissed the conclusion of many economists that "government intervention is a mere detail, and probably harmful" to the Japanese economy. Actually, he asserted, in Japan "the government not only tells businesses what they ought to do, but the companies frequently listen ... the system undeniably works." Mr. Blinder concludes: "Perhaps Americans should spend less time cajoling the Japanese to be more like us and more time considering whether we might do better by being more like them."

It isn't only the Clintonites who want us to copy the Japanese. Democratic presidential candidate Paul Tsongas built his whole primary campaign around the idea that "industrial policy is what Japan has.... It is what we must have as well.... American companies need the U.S. government as a full partner if they are to have any hope of competing internationally." Indeed, every one of the Democratic candidates for president in 1992 came out in favor of a national "industrial policy" during the primaries, as did scores of congressmen in the House and Senate. "The success nations such as Japan have had by adopting industrial policies is one of the reasons laissez faire has given way to savoir faire among the Democrats," argued the *Boston Globe* during the presidential primary season.

**There are actually two Japanese economies—one vibrantly competitive, one inefficient and kept afloat by bureaucratic fiat.**

### If You Can't Beat 'Em ...

The most visible advocate of the Japanese model, of course, is Ross Perot. "You've got to target the industries of the future. If you study MITI [the Ministry of International Trade and Industry] in Japan, it works," he asserts loudly.

Even a few businessmen—who traditionally have been very skeptical of government picking winners and losers in commerce—have lately adopted an "if-you-can't-beat-'em, join-'em" attitude. "The government of Japan has acted.... The United States, too, must act.... The United States must have an industrial policy," argues Jerry Sanders, the outspoken CEO of electronic chipmaker Advanced Micro Devices. One informal survey of several hundred U.S. executives doing business in Japan recently found that two-thirds of all respondents answered "yes" to the question, "Do you feel that the United States should develop an industrial policy similar to Japan's?" A 1991 poll by the *Harvard Business Review* found that 74 percent of American business managers now think the government should "actively help" corporations doing business overseas. *Business Week* magazine carried a splashy 1992 feature story trumpeting "Industrial Policy" on its cover in huge letters. "Should the United States have an industrial policy?" asked the editors, "The answer is 'Yes.'"

Unfortunately, most of today's boosters of Japanese-style industrial policy for the United States don't understand either the true strengths of the Japanese economy or its unreported weaknesses. They seem to believe, along with many other Americans, that the Japanese have triumphed in nearly all their economic endeavors, and that benevolent guidance by the Japanese government is the real source of these successes. They are wrong on both counts.

### MITI's Checkered History

In popular fable, the grand intelligence behind Japan's spectacular economic rise has been the Ministry of International Trade and Industry, or MITI. Beginning after World War II, MITI bureaucrats used their broad powers to distribute Japan's limited commercial resources and assign tasks for the rebuilding of the shattered economy. In those early years, when markets were in shambles, companies were destroyed, and private economic management had nearly collapsed, the Japanese may have had little choice. But from the beginning, MITI's attempts to manage the economy led to serious foul-ups and misdirections.

In the 1950s, for instance, MITI worked vigorously to force the Japanese automobile industry into a single company—because planners were certain multiple competitors would only weaken each other. To their very good fortune, ministry officials were unable to strong-arm the private manufacturers into accepting their vision of one, two, or (by 1961) "at most" three Japanese auto firms. Today Japan has nine vibrantly rivalrous auto builders, and experts agree that it is the fierce competition among them that has driven the industry to its current levels of excellence.

At just about the same time MITI was trying to shrink the Japanese auto sector, it was pressuring other companies to avoid what it viewed as a dead-end in electronics. In 1953, a small company named Sony went to MITI to ask permission to buy transistor-manufacturing rights from Western Electric. MITI was not impressed with the technology, or with Sony, and didn't want to squander scarce foreign currency on either. Permission to make the purchase was refused, and a great enterprise


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was nearly suffocated in its crib. Fortunately, company founder Akio Morita was persistent, and he eventually badgered the bureaucrats into giving Sony the go-ahead.

Meanwhile, MITI was pushing other sectors of the Japanese economy down paths that would lead to disappointment and wasted resources. The steel industry is a good example. In this country, Japanese steel is commonly thought of as a MITI triumph, but actually it has been a drag on the nation.

After a giant, force-fed buildup during the 1960s and 1970s, many of Japan's blast furnaces fell idle through the 1980s. Over the last five years, more than 50,000 steelworkers have had to be laid off, and costly but underutilized plants have been scrapped. Massachusetts Institute of Technology economist Paul Krugman describes Japanese steel as "the success that never was," and says MITI's build-up of the industry probably "reduced Japanese national income." MITI's expensive attempts to build up the aluminum and non-ferrous metal industries in Japan were even worse debacles.

MITI's efforts to "target" the "industries of the future" have failed in many other sectors too. Indeed, the ministry has misfired far more than it has succeeded. Intensive and repeated MITI efforts to build up Japan's aircraft and aerospace industries, for instance, have produced only inferior products at absurd prices, and little or no world demand. Decades-long attempts to jump-start a biotechnology industry have been equally disappointing.

### Computer Crash

Another grandly fruitless MITI venture was the Sunshine Project, initiated in 1974 with the intent of achieving quick breakthroughs in alternative sources of energy. "All that was produced for sure were jobs for superannuated bureaucrats," one observer has commented. Shades of the U.S. government's "synfuels," "shale oil," and Clinch River reactor debacles.

MITI also made an enormous mess of Japan's oil industry. The ministry set prices, allocated production quotas, forbade foreign competitors, and otherwise dabbled and interfered. The result was huge financial costs to both government and industry, consumers saddled with a serious misallocation of filling stations, wholesale gas prices nearly double the world market levels, and a very weak set of energy companies. MITI floundered in similar ways in the petroleum-based chemical manufacturing industry, another vital sector in any economy today.

MITI's aggressive efforts in oil "failed to produce true international competitors," states Harvard professor Michael Porter. In the late 1980s a deregulation plan was put together to pull government out of this sector.

Another example of MITI's pump-priming disappointments is the computer industry. Although the sector was first targeted nearly three decades ago, most Japanese computer products continue to lag behind their competitors, in little demand outside their sheltered domestic markets. Nimbler American companies set almost all industry standards, and even have used technological leapfrogging, superior manufacturing, and speedier product cycles to take back submarkets once believed to be slated for Japanese dominance. (Printers, hard drives, and notebook and palmtop computers are examples of this.) "In the mid-1980s, people like me were fearing that Japanese companies would take over the U.S. personal computer market in no time. Today, I find them a surprisingly ineffective force," states Andrew Grove, CEO of Intel Corporation, which has led U.S. manufacturers to dominance in today's microchip industry. Software has been the subject of a separate MITI push—to even less effect. According to Japanese scholar Koji Shinjo, the "government promotion policies" that have supported the Japanese computer industry "conceal serious problems."

One of MITI's most ambitious programs of all, the so-called Fifth Generation Computer Project, inspired much fear in other countries when it commenced in 1983. The well-funded 10-year effort coordinated the work of eight companies in a newly built government laboratory. Its widely trumpeted goal was to produce the world's first thinking, "artificially intelligent" computers. The project has fallen far short of its aims, however, having produced no fundamental technical advances or marketable products, and the program now is being phased out.

### White Elephants

MITI is not the only meddler. Japan's other government industries have engineered many costly failures in industrial policy. Some of the biggest follies have been portrayed in the Western press as smashing successes. Take shipbuilding: starting in the 1950s, the Ministry of Transport went on a shipbuilding binge, instituting a tariff to keep out British and West German competitors and encouraging the build-up of the world's largest yards and highest-volume industry. By the late 1970s, however, worldwide overbuilding and changing cargo patterns turned Japan's yards into white elephants.

Because they were following government incentives instead of market signals, Japanese shipbuilders monumentally miscalculated the demand for and profitability of their product. Even at its peak, the industry never netted a penny. The set-up costs had been high, and excess capacity plus competition from Korea, Northern Ireland, and other builders kept margins unhealthily slim. When the downturn came, losses were huge. The government had to step in again, this time to shrink the industry to a quarter of its former capacity. Where just a few years before they had been injecting growth hormones, the bureaucrats now were dispensing "adjustment aid."

Another boondoggle engineered by the Ministry of Transport is the Japanese national railway. The railway is known to most Americans primarily for its impressive high speed "bullet trains," the *shinkansen.* What is less well appreciated is the fact that until it was finally privatized in 1987 in the face of financial crisis, the agency had hundreds of thousands of featherbedded employees, continual strikes, poor service, serious overcrowding on some lines with gross overservice on others, and losses that averaged more than $20 million a day. This was despite heavy government subsidies and very high fares—in the 13 years before privatization, ticket prices were increased 11 times.



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AP/Wide World Photos

**Thanks to Japan's antiquated farm policies, prime urban land is locked away in inefficient crop production instead of being used for desperately needed housing.**

"Everybody thinks the Japanese national railway is a success but it is the worst failure imaginable. It loses five times as much per passenger mile as any other railroad," pointed out Peter Drucker shortly before the privatization. Like many other government-dependent businesses around the globe, the railway's biggest problem was special-interest pressure to build and operate unprofitable but politically popular lines. A breathtaking $279 billion in debt accumulated by the agency ended up on the public books, a burden to be carried by Japanese taxpayers for decades. There is a warning in this for Bill Clinton, who has spoken often of his plans to have the government build "high-speed rail lines" in the United States.

### Stifled Telecom

Railways are not the only sector where the Japanese government's transportation policy has gone off the tracks. Government coddling also has made the Japanese airline industry extremely inefficient. Until 1986, government-run Japan Airlines (JAL) held a monopoly on overseas flights, and All Nippon Airways (ANA) had a virtual monopoly on domestic flights. Tickets were so costly that relatively few Japanese could afford to fly.

When JAL was finally privatized, its managers found that the cozy regulatory cocoon they enjoyed for so many years left them ill-prepared for the fierce global competition that is now the norm in air transport. JAL currently is one of the highest-cost carriers in the world, and its share of travel to and from Japan recently has fallen by one-sixth. American carriers, which honed their operations after being released from government regulation a decade earlier, are far more competitive on the major trans-Pacific routes.

Telecommunications is another important economic sector that has been stifled by governmental embrace in Japan. The national telecommunications monopoly NTT is being privatized at last, but is still two-thirds state-owned and it is not lean or mean. Domestic phone calls cost 50 percent more in Japan than in the United States, and calling abroad from within Japan is far more expensive than calling in. Service is much less innovative in Japan. Cellular phones, for instance, only recently have caught on, due to clumsy regulation by the Ministry of Posts and Telecommunications.

Meanwhile, equipment makers also lag behind their competitors. "Japanese companies are at a disadvantage because they don't have enough competition in their home markets," says consultant Francis McInerney. Both consumers and companies have paid the price for Japan's industrial policy in telecommunications.

### Financial Feudalism

Bureaucratic manipulation has gravely wounded Japan's financial sector, which these days often is described as "feudal." Ministry of Finance doting has kept Japan's banks, life-insurance companies, and stock-brokering firms in an inefficient backwater state, and in the past several years many institutions have careened toward serious solvency troubles. Government policies also are directly responsible for the recent collapse of Japan's stock market, and for the disastrous speculation in land and real estate markets that has made homeowning impossible for most young Japanese workers—homes are up to 10 times more expensive than in America.

The farm policies of the Ministry of Agriculture can only be characterized as a fiasco. Their penalties are multiple: Japanese consumers must pay exaggerated prices for food—twice as much as Americans, as a share of family income. In a time of damaging labor shortages in Japan, fully 9 percent of the workforce is tied up in farming, versus 3 percent in the United States. And large amounts of prime urban land are locked away in inefficient crop production instead of being used for desperately needed housing or commercial buildings.

Westerners have the idea that the crowding and poor physical amenities endured by the Japanese people are the unavoidable result of their island topography. Actually, there is much more land within an hour's travel of Tokyo than there is in New York, and a lot more of it is open—Tokyo's population density within a six-mile radius of the city center is 39,000 persons per square mile, versus around 65,000 in Paris and Manhattan. Tokyo feels so overstrained because only half the land in the metropolitan area has been developed. There are still 125,000 farmers within the city, working tiny plots that average less than 6,500 square feet each. McKinsey and Co. consultant Kenichi Ohmae reports that the land available for housing and offices within 30 miles of Tokyo could quadruple if the government would change its policy of protecting farming "in the national interest."



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Thanks to heavy state strictures on store operations, Japan's goods distribution and retailing network is also very inefficient. It normally takes five to 10 years to get government permission to open a new store in Japan. Goods must pass through twice as many sticky fingers on their way from factory to buyer as in America or Britain. "Our distribution system is really an unofficial jobs program subsidized in full by the consumer," observes opposition politician Wakako Hironaka. These measures elevate consumer prices a punishing 60 to 100 percent.

The list of industrial policy failures in Japan goes on and on. Japanese pharmaceutical firms are second-rate internationally, in large measure due to protectionism and meddling by the Ministry of Health. Government attempts to aid and protect the Japanese mining industry have been boondoggles.

### Failing the Screen Test

A major disappointment currently in the making concerns high-definition television (HDTV). Twenty-five years ago the Japanese government began to set targets for a new HDTV broadcasting standard. More than a billion dollars later (in 1991), the state-owned NHK television network pushed the world's first working system into operation. Industrial policy advocates in the United States, who had been agitating unsuccessfully for a similar $1.5-billion effort by the U.S. government, moaned that we had once again been outfoxed on a hugely valuable technology.

Actually, it was the Japanese bureaucrats who outfoxed themselves. In their office-bound wisdom, the targeters picked the wrong—and now seriously obsolete—technology. American companies, following consumer and market signals, have developed a far more advanced digital HDTV standard, and are now poised to dominate video transmission and reception in the coming decades. Federal Communications Commission chairman Alfred Sikes, the U.S. official in charge of broadcasting oversight, concluded from the episode that "bureaucrats determined to freeze the frame on fast-moving industries lock their companies and citizens into second-class products."

### Behind in Productivity

If industrial policy in Japan has had so many failures, then how did Japan become such a juggernaut today? The answer comes in two parts.

Part one: Japan is not a juggernaut. The Japanese economy is one of the splendid successes of our lifetime, having grown about twice as fast since World War II as most of its industrial counterparts. Despite the hoopla, however, media and academic reports often ignore the fact that Japan, like every nation, continues to have plenty of weak and potholed sectors in its economy.

An inventory of the consumer goods in American houses and garages is not a good way to gauge Japan's overall productive strength. After all, manufacturing represents only about one-fifth to one-third of the economy in any industrial nation today, and Japan's manufacturing successes are further concentrated in a relatively narrow—albeit highly visible— band of consumer goods, such as electronics and cars.

A broader-spectrum comparison of economic output in Japan and the United States done in 1989 by professors at Harvard University and Tokyo's Keio University found that Japanese efficiency was lower than U.S. levels in 16 of 29 major industries, including communications, transport, construction, retailing and services. Japan's Labor Ministry reported in 1992 that overall, U.S. workers are 1.6 times as productive as Japanese workers. A more selective and detailed study done in 1992 by McKinsey Global Institute—with assistance from several economists, including Nobel laureate Robert Solow—also found that most U.S. enterprises were more productive than Japanese counterparts, particularly in the service sector—which includes banking, airlines, and phone companies, not just fast-food restaurants. While the Japanese have many superb companies and industries, their economy also has lots of weak spots.

### Two Japanese Economies

Most of the weakest areas in Japan are those that have been subsidized or otherwise shielded by the government. That's part two of the explanation of how the Japanese arrived where they are today even though targeting and so forth did not work: The fact is, they succeeded for reasons unrelated to industrial policy. Indeed, it may be most accurate to say the Japanese succeeded in spite of industrial policy. In his recent book *The Competitive Advantage of Nations*, Harvard professor Porter does not credit Japanese planners at all. "Government policy in a range of industries," he writes, "has had the effect of undermining competition and sheltering inefficient competitors, lowering the overall productivity of the Japanese economy."

Many of Japan's strongest businesses—like consumer electronics, cameras, robotics, precision equipment, pianos, bicycles, watches and calculators, numerically controlled machine tools, and ceramics—developed mostly on their own, without much help from MITI or other agencies. And where government mandarins have intervened most actively—like shipbuilding, agriculture, petrochemicals, and aerospace—they often have done little more than provide costly life support to fossils and failures.

**Japan is now saying "sayonara" to government management of the economy.**

There are actually two Japanese economies—one vibrantly competitive, one bloated and inefficient and kept afloat by bureaucratic fiat. As Masaru Yoshitomi, director-general at the government's Economic Planning Agency, concedes, Japan's less efficient industries amount to "a welfare system within the private sector."

Ministry planning is not the source of Japan's economic vigor. The real credit lies elsewhere: with her strong, serious primary education system; with the ex-



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traordinarily high savings rates of her people and all the government policies that encourage that; with her low inflation and low tax policies; and with her powerfully cohesive families that allow youngsters to grow into productive citizens and workers (only 5 percent of all Japanese children currently live in broken homes, compared with 28 percent in this country). The Japanese are a fantastically disciplined people who probably would make any economic structure look good.

Maybe the most important factor driving the nation's success is the fierce market competition that reigns wherever it is allowed in Japan—remember those nine different Japanese car companies. Japanese economist Ryutaro Komiya argues that "vigorous competition ... in spite of ... the strong inclination of the government ministry responsible for an industry to suppress competition" has been a key to the vitality of the Japanese economy. Professor Porter of Harvard describes hot competition as "perhaps the most essential underpinning" of Japanese achievement.

### The Japanese Turn Away

Certainly government steering is not the secret. "The idea that central planning is responsible for Japan's success is a myth," says former White House economist David Henderson. "Japan's is an economy driven by firms, not government," says Professor Porter. While MITI and other government agencies "have preserved unproductive firms in dozens of industries," Professor Porter concludes from his massive research, "only a handful of the more than 60 industries involved have subsequently achieved significant international success." Japanese industrial policy, in other words, has failed far more often than it has succeeded.

Bailouts, more than start-ups, have been the main work of Japan's finaglers. Behind all the talk of targeting "infant industries of the future," most ministry resources have been funneled to elderly, even senile, industries of the past. Decliners rather than ascenders have absorbed the bulk of the money. Even when targeters have managed to hit the right industry, their success at hitting the right firm at the right time in the right way, without doing more harm than good, has been minimal.

For these reasons, the Japanese now are discarding industrial policy and government management of their economy—a widely underreported fact in the West. The privatizations of the national railway, the national airline, the telephone monopoly, and the deregulation efforts affecting the oil industry have already been discussed. Deregulation and sharp reductions in ministry guidance are also underway in banking and financial services. The once tightly controlled retail and distribution sector is seeing some relaxation. Numerous government tariffs are being removed or lowered.

Meanwhile, many of MITI's formal powers have been allowed to lapse. Of course, bureaucracies never surrender authority easily, and some of Japan's agencies are still clawing to retain their powers of economic direction. But the movement away from the planned and targeted economy is unmistakable.

Japan's fling with industrial policy was closely linked with its predicament of transforming itself from a poor, war-devastated nation into a developed one, and most of the overt governmental prodding took place in the 1950s and 1960s. As their economy became richer and more elaborate, the Japanese discovered that state force-feeding interferes with growth more than it helps. "In my time, our job was simple," says Naohiro Amaya, a central MITI official during Japan's postwar rebuilding. But now, he continues, the economy has become too complicated for government ministers to manipulate effectively. His successors are "trying to solve many complex equations simultaneously." Most Japanese leaders came to this same conclusion some years ago. As the *Wall Street Journal* summarizes, "there is an emerging consensus among the public and the business community that an economy guided by the government ... is ill-suited to the needs of modern Japan."

The irony is that just as the Japanese are fleeing national business management, some Americans (and even more the Europeans) are edging toward it. Today's "severe danger," economics writer and Japan expert Bill Emmott warns, is that America, panicked by the reality of stiffened global competition "will learn from the wrong Japanese example, will emulate something that Japan has in fact abandoned."

### On Track the American Way

Americans have high economic expectations. Sometimes this leads us to exaggerate our problems and overlook successes. From mid-1982 to mid-1990, after all, the U.S. economy grew an impressive 31 percent after inflation. That meant 18 million brand-new jobs, per-capita disposable income rising by one-fifth after inflation, and added production equivalent to the entire output of the West German economy—all in less than a decade.

While we often hear claims these days that the United States can't compete as an exporter anymore, the truth is that American exports have more than doubled in real dollar value since the mid-1980s. The United States now sells more than $400 billion worth of goods to other countries annually. By comparison, Japanese exports total around $300 billion, and theirs recently have been rising at a much slower 3-percent annual rate.

It is true the United States has economic problems that need fixing. And it is true that some proud American companies lately have been outperformed by foreign competition. But our economy still contains a multitude of internationally unsurpassed sectors, and hundreds of American firms recently have made impressive comebacks. In 1992, for example, U.S. computer chip manufacturers stunned pundits by retaking the world market share lead from the Japanese. In most emerging branches of the business, U.S. companies—written off just a few years ago—once again are setting the pace. Meanwhile, European attempts to compete in semiconductors by using tariffs and huge government subsidies made their position worse.

Private restructurings are also boosting many other American industries back into world leadership. U.S. steelmakers are again the lowest-cost producers. Machine tool makers have pulled back to the front of their pack. It is becoming increasingly clear that over the next


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AP/Wide World Photos

**A strong primary education system, high savings rates, and cohesive families are the sources of Japan's economic vigor.**

decade American firms even will regain a strong position in home electronics—a niche filled almost exclusively by imports in recent years.

Or take even that sorest of sore spots, the auto industry. In 1992 Japanese automakers actually lost a point and a half of market share in the United States, and they will lose more this year. Detroit completely dominates today's two fastest growing sales niches: sport/utility vehicles—like Jeeps—and minivans. Minivans and utility vehicles now account for a fifth of the total U.S. vehicle market, and that share is rising fast. Domestic makers sell 90 percent of them.

Every one of the Japanese car companies except Honda (which is cutting production sharply this year) has recently been losing money in the United States—to the collective tune of $4 billion a year. They are all reducing new investment, canceling products, and leaving models on the market longer between overhauls. Meanwhile, Ford and Chrysler are now on solid footing, and GM is building good cars while finally undertaking the financial restructuring it long has needed.

### Improving What We Do Best

Many Japanese competitors recently have discovered that what goes up also can come down. Total Japanese industrial production was nearly 9 percent lower in 1992 than in the year previous. Corporate profits have declined for three consecutive years—the first time that has happened since World War II. The Japanese stock market has lost half its value since 1990. Land prices are down by one-third. Several major banks are at risk of failing. Even marquee industries like consumer electronics are suffering. Sony will show a 70-percent decline in earnings in the fiscal year just now ending. The Japanese certainly will continue to have one of the world's most competitive economies for the foreseeable future, but they are not invincible. Over the next decade, weak spots in their system will become increasingly apparent.

If the United States is to prosper in the years ahead, it will do so not by aping the Japan of the 1960s, but by solving its own problems and refining what it does best. Instead of dabbling in industrial decision-making and subsidies that would amount to corporate welfare, our government should concentrate on refashioning our miserable public education system, on mending our families so children can grow up responsibly, on reducing our national expenditures and deficit, on freeing our entrepreneurs from suffocating controls, and on making our tax code friendlier to investment and savings and less protective of consumption.

The great global economic lesson of the last generation is that earnest centralized management—even in as mild a form as existed in post-War Japan—always will bring less prosperity than open market competition. It will be a tragedy if the new American administration, in the name of aiding American "competitiveness," ignores that vital lesson here at home.



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# From Ivy League to NBA

## A Great Urban High School Falls Through the Hoop

TUCKER CARLSON

Rodney McDaniel is a senior at Dunbar High School in Washington, D.C. He is the captain of its football team, which is the best in the city. He recently made the *Washington Post*'s "All Metropolitan" high school list for his skill on the field. Asked what courses he takes, Rodney says, "First, I take Civil Service Prep. It gets you ready to take the government exam in case you ever want to work in the government. Then I take Life Skills, SAT Prep, English 4, Swimming, Driver's Education, Spanish, and Individual Sports."

It is clear that Rodney is more comfortable talking about football than his classes. He turns the conversation to his coach, the long practices, his team's winning record. When asked what his favorite course is, however, Rodney suddenly seems alert. He replies without hesitating: "English 4. Now we're on *Beowulf;* it's an epic poem. I like it."

Rodney McDaniel evidently has the ability to take harder courses than he does. But he, like other students at Dunbar, has been held to low standards by teachers unwilling or unable to demand more. Never required to truly exert himself in the classroom, he naturally gravitates to where the standards for success are higher, the football field.

### From Academic to Athletic Glory

Dunbar was once one of the nation's great schools. From 1870 to the early-1960s, this public high school produced students as well-educated as those in any secondary school in the country. Using limited resources, and working under the limitations of segregation, its teachers pushed their pupils—all of them black—to heights of achievement unthinkable in most urban schools today. Dunbar's successes showed not only that disadvantaged black students from the inner city could be academically accomplished, but also that they could be taught the skills necessary to succeed later in the professional world.

Today, by contrast, Dunbar is known for its athletic rather than its academic prowess. Its basketball program is among the top 10 in the country, and the best in Washington. The team's record this year was 33–1. During the 1980s, at least five Dunbar graduates played professional basketball, three in the NBA. But while its athletes have made headlines, the rest of the school has deteriorated inexorably. A smaller percentage of Dunbar students go to college now than did 60 years ago. The average Dunbar graduate today is likely to be poorly educated and uninspired by academic subjects. For the first 90 years of its existence, most Dunbar students were motivated to succeed academically; those who were not pushed by their teachers. Today, the students who are academically self-motivated still succeed. Those who are not play basketball.

### Generations of Black Pioneers

Dunbar was the country's first black high school. In 1870, a group of freed slaves founded the Preparatory High School for Colored Youth in downtown Washington with an initial enrollment of 45 students. Over the years the school went by several names and moved to different locations, before becoming the Paul Laurence Dunbar High School in 1916. Even as its outward elements changed, however, the school's mission remained constant: to educate the most capable and ambitious black students in Washington, and to prepare them for college and life beyond.

Dunbar did this job well. Moreover, it did it before any other black high school. The first black senator in this century, Edward Brooke of Massachusetts; the first black general, Benjamin O. Davis; the first black cabinet member, President Johnson's HUD Secretary Robert C. Weaver; and Dr. Charles Drew, the man who discovered blood plasma, all graduated from Dunbar. Scores of other Dunbar graduates became doctors, lawyers, university professors, and successful civil servants. Dunbar graduates formed the core of Washington's large black middle class. City council members, local preachers, and the general manager of the subway system all went to Dunbar. By 1964, for instance, almost every public school in the city was run by a Dunbar alumnus—no fewer than 32 principals and superintendents.

In an age before affirmative action, Dunbar sent an amazing number of its graduates to prestigious colleges. According to Hoover Institution scholar Thomas Sowell,

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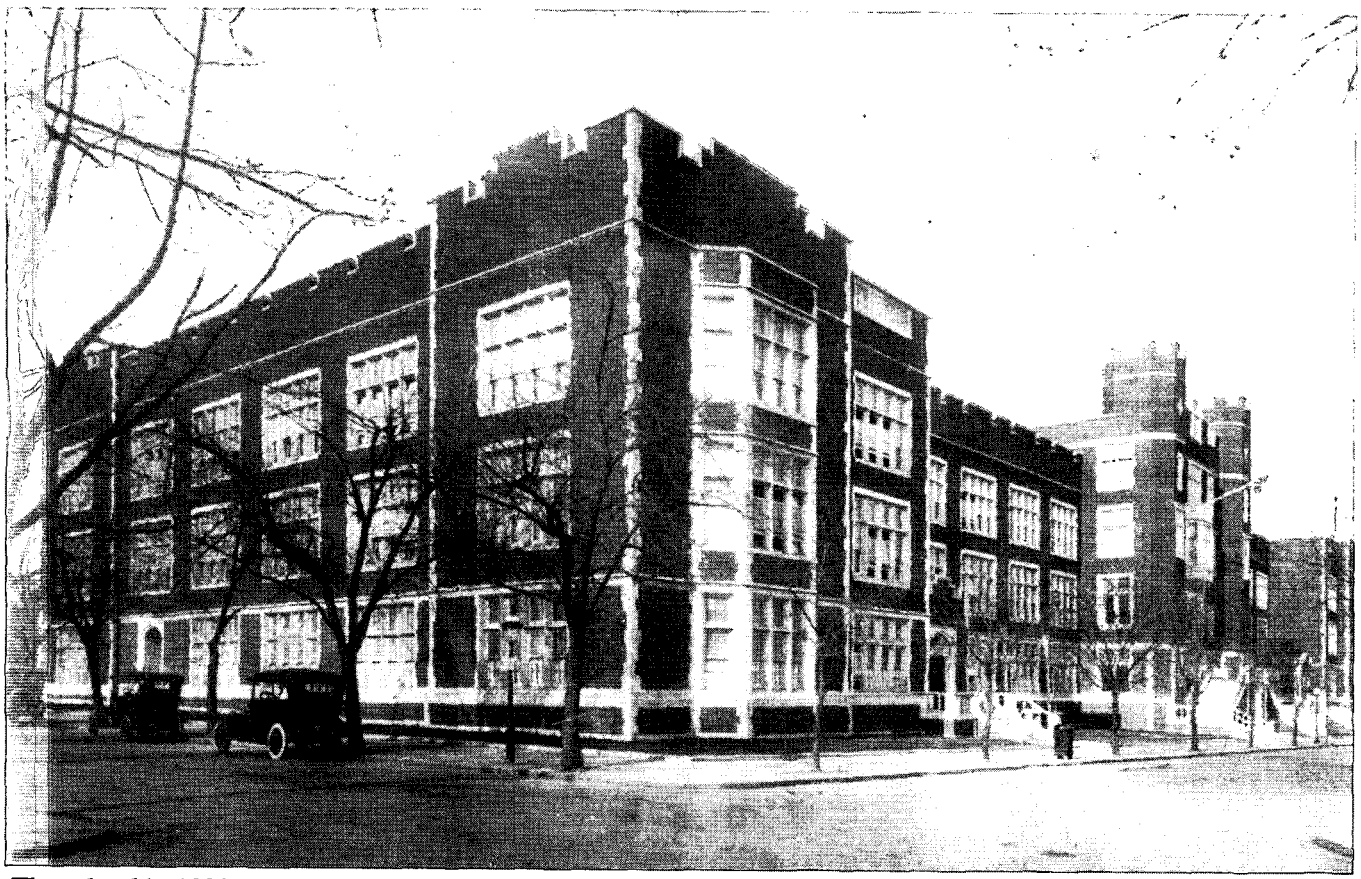

Photo courtesy of Mrs. Lonise Robinson

**The school in 1922. At Dunbar, upward mobility used to mean going to Harvard. Now it means making a jump shot.**

from 1918 to 1923, 15 students went on from Dunbar to graduate from Ivy League schools. Between 1892 and 1954, Amherst alone admitted 34 students from Dunbar. "Of these," Mr. Sowell wrote in a 1974 *Public Interest* article, "74 per cent graduated, and more than one-fourth of these graduates were Phi Beta Kappas."

The class of 1949's college placement is an example of the academic success of Dunbar students. In that year, Dunbar sent one graduate each to Colby, Columbia, Dartmouth, Georgetown, Harvard, MIT, Smith, and Yale. A total of five went to Bates and NYU. One hundred fifteen went to Howard University. Of the 310 students who graduated from Dunbar that year, 267 went to college, five joined the military, three got married, and only 35 went immediately to work.

Dunbar graduates arrived at these colleges well prepared. Robert C. Weaver wrote that after graduating from Dunbar, "I went to Harvard College, where many of my classmates had been trained in some of the best preparatory schools in the nation. I found myself on the whole about as well able to survive in the college as were they."

Dunbar's teachers during its early years were no less impressive. Because blacks were excluded from the faculties of most colleges, Dunbar had its pick of highly educated instructors. Many of its teachers had advanced degrees; several had Ph.D's. Dunbar's first male principal, Richard T. Greener, was also Harvard's first black graduate. His successor, Mary Jane Patterson, was the first black woman to graduate from an American college. Subsequent principals were educated at Amherst, Dartmouth, Harvard, and Oberlin—all before 1910.

### They Came. They Learned. They Conquered.

Dunbar's early curriculum was rigorous. The school emphasized languages, and for years taught Latin, French, German, Greek, and Spanish. Two years of foreign languages were required, but many students exceeded this requirement. In the first semester of 1945, 485 students—or more than a third of the school—were enrolled in Latin, bringing the average class size in that subject to 40. A letter sent by the Dunbar alumni association to the superintendent of Washington schools in 1946 claims that more students wanted to take German than the school could teach.

**"When I went to Dunbar, parents had a fantastic respect for education."**

Dunbar's rigorous curriculum was not limited to languages. During the 1940s, requirements for graduation from Dunbar included biology, chemistry, physics, American history, and algebra. Over 300 students took plane geometry in one semester. Even the extracurricular organizations were academically oriented. The



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school sponsored student-run banking, biology, chemistry, contemporary literature, and library clubs.

Dunbar offered tough courses to prepare students for higher education. Sereta Staley, a graduate of the class of 1932, says that most students entering Dunbar intended to go to college. "Dunbar had excellent teachers. They were very well trained. It was really a college-preparatory school." Judith Webb, a District of Columbia Department of Education employee who graduated in 1959, estimates that "95 percent of the students at Dunbar when I went there went on to college."

Unlike public high schools today, Dunbar's students came from neighborhoods all over the city. The school's reputation drew children from every corner of Washington, as well as from the suburbs in northern Virginia, and sometimes even other cities. Also, children could come to Dunbar at almost any age. Students as old as 18 entered ninth grade, while achievers as young as 15 graduated from the school. Rita Greenfield, who took a streetcar across the city to Dunbar every day until she graduated in 1946, says that black children who wanted an education in the humanities had little choice but to go to Dunbar. "It was the only authentically academic school we had."

**An alumna says today's teachers think that "these kids aren't going to make it anyway."**

Eunice Newton, a 1930 graduate, says that her father brought his family to Washington in 1898 from Florida because of the reputation of the city's public schools, particularly Dunbar. "When I went to Dunbar, parents had a fantastic respect for education." Mrs. Newton, who spent her life teaching in public schools, says things have changed radically. "Now, all my friends send their children and grandchildren to private schools."

Historically, Dunbar had no entrance test. Admission was entirely self-selective. The school's reputation for difficulty effectively weeded out most students unable to contend with its demands. According to Rita Greenfield, administrators did not hesitate to transfer failing students to other, less academic schools. "Those who couldn't make the grade were sent to Phelps Vocational School or Cardozo Secretarial School." Technical schools like these gave students in Washington alternatives to the college preparatory education offered at Dunbar, and so allowed the latter to remain an elite school.

### "Does Your Father Know...?"

Dunbar had few of the disciplinary problems that beset modern schools. This is partly the result of changing times—there were no crack dealers loitering outside Dunbar in the 1940s. At least as important, though, was the involvement of parents. Lonise Robinson, who went to Dunbar in the 1940s, says students were afraid to be disruptive in class because of the school's direct ties to parents. "If you had a problem at school, you'd have another problem when you got home because the teachers would call your parents." Mrs. Robinson says her father went to PTA meetings regularly and monitored her studies. "If my brother and I didn't have any homework to do, he'd make us read the paper." For Dunbar students of Mrs. Robinson's generation, academic success was not considered exceptional. "The teachers at Dunbar expected the students to do well. The idea was that you were going to go on. You were going to make something of yourself."

Another Dunbar graduate says the purpose of school was clear to students. "You *never* came to school without your homework. You went to school to learn, not to act up." The school, she says, brought even the most minor infractions to the attention of parents. "If you wore a shirt to school that wasn't quite right, you'd be called in. They'd ask, 'Does your father know you have that shirt on?' We were always afraid the school would call home. You can't even imagine that kind of interest in students now."

Over the years, Dunbar gained a reputation as a school that catered largely to middle-class and light-skinned blacks. Both of these criticisms are partly true, but misleading. Washington always has had a large black middle class, sustained by stable, well-paying government jobs. And, at least according to local legend, many of the most successful black families in the city were light-skinned or mulatto.

Still, a significant number of Dunbar students fit neither of these categories. In her 1965 book, *The Dunbar Story*, former Dunbar teacher Mary Gibson Hundley writes that "The economic level of the students was that of the lower middle class. There were always poor but promising students ... who were encouraged to stay in school by dedicated teachers." According to Lawrence Graves, who graduated from Dunbar in 1940, "I grew up at the bottom of the economic totem pole and I went to Dunbar. Doctors and lawyers sent their children there, but the school was for anybody who was interested in academics."

Although there has been much criticism of Dunbar for being a school for light-skinned blacks, there is no evidence that darker students were held back because of their color. Dunbar graduate Lonise Robinson admits that students did tend to divide into cliques along color lines, but claims this had little bearing on a child's success at Dunbar. "My husband has dark-brown skin and he was a star at Dunbar. My father before me was a dark-skinned man and he did well there. There was no discrimination because of color from teachers, or when it came to grades." Despite claims to the contrary, the facts indicate that Dunbar was a success at least partly because it was a meritocracy.

Many of its alumni trace Dunbar's decline to the desegregation of schools in Washington. Integration effectively ended the school's ability to draw only the most talented and motivated black children in the city.


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Likewise, it allowed Dunbar's best teachers to take jobs in other high schools or colleges that before were off-limits to blacks. During the same period Dunbar became a neighborhood school, and therefore had to rely almost exclusively on the surrounding neighborhood for its enrollment, Washington lost much of its black middle class to the surrounding Maryland suburbs. Of those who stayed in the city, many lived outside of the school's immediate neighborhood. Overnight, they found it difficult to send their children to Dunbar.

### Delusions of Grandeur

Dunbar has changed significantly in the last three decades. Nonetheless, the school's current principal—and valedictorian of the Class of 1962—Eva Rousseau is proud of her school. She boasts that Dunbar has been the recipient of three consecutive "Golden School Awards," and adds that there have been no expulsions from the school in the past two years. "Because I have been able to link what used to be and tried to work on the present," she says, "I have been able to maintain standards, and certainly make certain we didn't lower standards." According to Mrs. Rousseau, little of substance has changed over the years. "Dunbar is now a neighborhood school, but our standards are just the same."

For all of her apparent confidence in Dunbar, Mrs. Rousseau will not allow visits to classes or interviews with current teachers. She is plainly hesitant to grant an interview herself, and doesn't want to see a story written on Dunbar, telling me, "I don't know that you could see Dunbar the way that I see it or give it the kind of balanced reporting that I could give it." Nor will she provide basic written information on the school, such as a detailed budget, the school rule book, or a list of which colleges members of the class of 1992 attend.

Principal Rousseau is virtually alone in believing Dunbar has maintained its old standards. Certainly most alumni are not convinced. For many old graduates, the school's new building, built in the 1970s, is a symbol of what has happened to their alma mater. The new Dunbar is a massive brown concrete building that looks remarkably like a county jail. It has few windows on the ground floor. All of its outside doors are closed and

**"Some classes are just too noisy to learn."**

locked. The steel doors have motel-type peep holes that allow callers to be inspected before they are admitted. Despite the principal's reassurances that violence in unknown at the school—"We don't have violence; we empower students"—visitors must walk through a metal detector into the foyer before signing in at the security desk.

Few alumni who can avoid it now enroll their children in Dunbar. Rita Greenfield, an enthusiastic Dunbar alumna and the communications director for her class,

UPI/Bettmann

**Benjamin O. Davis, class of 1895, first black general in the U.S. Army. The first black cabinet member, the first black senator in the 20th Century, and one of America's leading scientists graduated from Dunbar.**

admits "I wouldn't want to send my kids there today." Lonise Robinson has come to the same conclusion. A third-generation Dunbar graduate who taught in Washington public schools for 33 years, she describes herself as "a supporter of public education." She also loves Dunbar and proudly points out that her grandmother graduated from the school in 1895. Still, she and her husband didn't trust Dunbar to educate their kids; all three of their sons went to Catholic high schools. She doesn't regret the choice. Two of the boys recently graduated from the University of Pennsylvania.

### Root of Decline

Almost none of the qualities that made Dunbar a great institution for 90 years exist at the school today. At the root of Dunbar's decline are the lower standards to which students there now are held. As the prestige of Dunbar faded in the late-1950s and early-1960s, fewer teachers were willing to push students to their academic limits. Perhaps more important, fewer parents insisted that their children do their homework, pay attention in class, and excel in academic subjects.

Thelma Montgomery is in a good position to evaluate the change in teacher's attitudes. Mrs. Montgomery graduated from Dunbar in the 1946 and went on to a teacher's college. She later earned a master's degree in



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Photo courtesy of Mrs. Lonise Robinson

**Lonise and Floyd Robinson met in the class of 1946. Generations of strong black families graduated from the old Dunbar.**

linguistics from Georgetown University. In 1969, she came back to Dunbar as a teacher, where she stayed until retiring in 1980. Her first impressions of the new Dunbar were unpleasant. "I was shocked when I saw the change. When I was at Dunbar, most of the teachers who taught us could have taught on the college level. The level of teaching had declined." Teachers became less effective, she says, simply because few of them believed their students were capable of excellence. "The classroom is the product of the attitudes of the teachers. Some teachers had the attitude, 'these kids aren't going to make it anyway.'" Even those who considered students capable were themselves often lazy. "The teachers felt protected by the union and they didn't try hard. No group should protect incompetence."

The results of this drop in teacher quality were predictable. "The student body was not nearly so academic as when I went there. When I went to Dunbar, I took Latin and German at the same time. You didn't find anybody doing that when I taught there. There wasn't an emphasis on language." She says that during her teaching years, many students "stopped coming to school and they were failing. Most kids did not go on to college."

Shortly after she came to Dunbar, Mrs. Montgomery started a special humanities course, designed to teach advanced-level courses to college-bound students. Admission to the course was by invitation only. Mrs. Montgomery interviewed prospective students personally to make certain they were committed to the course. The classes were difficult, requiring more homework than ordinary subjects. Yet, the students were receptive. Mrs. Montgomery even found that the higher standards she set for her students had an effect on their parents. "I never had any trouble with those parents. They were always involved."

### Less With More

Parents like those of the children in Mrs. Montgomery's humanities course are the exception at Dunbar today. Recalling her days at Dunbar in the late-1970s, one teacher says, "I wound up going to a lot of homes trying to get parents to come in and talk to teachers. It was frustrating. You really had to pull eye teeth to get cooperation from parents." Dunbar senior Kermit Guest sometimes goes to PTA meetings with his grandmother, with whom he lives. He says the largest meeting he has attended had no more than 50 people present. Although his grandmother forces him to complete all of his studies, Kermit says most students know the school will not contact their parents if they do not work. "When you don't do your homework, you just say 'I didn't do it.'" Dunbar does send "deficiency notices" home to parents when their children get into academic trouble. According to Kermit Guest, however, these do little good because they are only sent when students "fail or are about to fail." This lack of consistent contact with parents has direct consequences in the classroom. In the words of one Dunbar senior, "Some classes are just too noisy to learn."

Dunbar still offers many of the courses it did 50 years ago. Like all public schools in Washington, Dunbar is required to teach a core curriculum that includes the basic subjects: English, history, foreign language, math, and science. In addition to these courses, Dunbar has added a variety of different and sometimes esoteric electives. These range from "Clothing and Textiles" (I and II) and "Street Law," to advanced placement calculus. Dunbar is also the only public school in the city to offer instruction in Arabic. While it is difficult to know

**"If you wore a shirt to school that wasn't quite right, you'd be called in. They'd ask, 'Does your father know you have that shirt on?'"**

how many students choose which electives—Principal Rousseau repeatedly refused to divulge the breakdown—an informal survey suggests that more students opt for "Career Awareness" than for Advanced Grammar. One student claimed to be the sole pupil in Latin III.

If academic standards at Dunbar have declined, it has not been for lack of funds. As compared to the Dunbar



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Dunbar High School

**Dunbar's 1993 basketball squad is one of America's 10-best high school teams. If the school set the same high expectations for academic achievement that it does for athletic achievement, it could relive its former glory.**

of old, the school today does less with more. In 1946, Dunbar employed only 45 teachers for a total enrollment of 1,529 students. Cramped conditions forced teachers to teach classes of up to 90 students. Today, 21 administrators and 64 teachers—who, on average, make $38,000 a year, plus retirement benefits—operate a school that enrolls fewer than 1,000 students. Average academic class size at Dunbar is less than 20. In addition to its more than $6 million in operating funds, Dunbar receives grants and teaching materials from a variety of different corporate and government sponsors, including General Motors, IBM, NASA, and TRW.

### Lost in Space

One of Dunbar's showcase academic programs is a "space lab," which, according to the school, is the only one of its kind and "was designed by students in conjunction with NASA engineers." The "USS *Dunbar*" is a specially designed classroom that, in the words of Principal Rousseau, "is able to get signals from outer space." Despite this impressive description, few students—including several who had direct experience with the space lab—were able to explain the mission of the USS *Dunbar*. One ex-student, a 1991 graduate who was "second in command" at the lab, said his experiences there piqued his interest in the planet Mars. Beyond that, however, he was unsure of exactly what the lab was for. Another student said the lab was somehow connected to "that big telescope in space." A third student's explanation was more precise. "The USS *Dunbar* brought a lot of media attention to the school."

Perhaps the best gauge of the effectiveness of Dunbar's curriculum is its test scores. In 1991, 78 students were enrolled in eight advanced placement courses. Of those, only one received a passing grade on the cumulative test given at the end of the course. In that same year at Dunbar, the average score on the SAT—a test presumably taken only by those interested in going to college—was 379 in math and 331 on the verbal section, both of which are almost 100 points below the national average. These scores do not seem to have been raised by the three courses at Dunbar devoted solely to teaching students to take tests.

The one bright spot in Dunbar's academic program is its pre-engineering program. Begun in 1982, the program is more rigorous than the school's ordinary course of study. Pre-engineering students are required to take four years of math and science, and generally have more homework. Most of them go to college. The program has proven that students who are self-motivated, ambitious, and disciplined can succeed at Dunbar.

Derrick Stevenson is one of these students. Mr. Stevenson takes hard courses—physics, computer science, precalculus—and gets good grades. He is also the captain



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of the tennis team. Three days a week he works with his church group. Mr. Stevenson admits that pre-engineering students are responsible for making themselves work hard. "If people show a habit of not caring, the teacher will mention it to them, but if they don't want to change it's on them." According to Mr. Stevenson, teacher's expectations can be low, even in pre-engineering courses. "Some teachers give you credit just for turning in the homework. They give you credit for taking the initiative to do it."

**Dunbar's coaches know something many teachers have forgotten: Students must be pushed to their limits to produce excellence.**

Kanti Ford, valedictorian of the class of 1989 and a chemistry major at Yale, confirms that students in pre-engineering tend to be those who would do well anywhere. "I put a lot of pressure on myself [to succeed] in pre-engineering." For regular students at Dunbar, those not naturally inclined to high academic achievement, the temptation exists to just get by. Bryant Hughes, a 1991 graduate, puts it simply: "There isn't a whole lot offered to kids who aren't pre-engineering students."

### Miss Practice, You're Off The Team

The blueprint for Dunbar's rebirth may lie within its walls. As the school's academic standing has fallen, its athletic program has become famous. The basketball team has had winning seasons for the last five years. It is now the best in the mid-Atlantic region and ninth best in the nation. Likewise, the football team is the best in Washington.

Michael McLeese has been the basketball coach at Dunbar for six years. His formula for success is simple. The team does well, he says, because the players "work hard and understand their roles. I tell the players to keep things in perspective, to be on time, and to act appropriately." Practice is from 4:45 to 7:00, five days a week from November 1 to March 1. Despite the long hours, the Coach has no problem with attendance. "Everybody shows up. They'd be off the team if they didn't. You have to practice to play on the team." This hard work has paid off. Anthony Jones, John Duren, and Craig Shelton all graduated from Dunbar to play in the NBA during the 1980s.

On top of demanding hard work on the field, Mr. McLeese requires his players to try hard in academics. No student with less than a 2.0 average can play basketball. "I tell the players that they must be solid citizens and conduct themselves in a positive manner. No cutting class. Their standards have to be higher. They have a lot of status and they have to be aware of that."

Despite its success, the basketball team is chronically short of money. Coach McLeese says the team "absolutely does not" get enough funds from the city to continue the program. So, to supplement its income, the team operates the concession stand at its games. Mr. McLeese says the money it makes allows the team to pay for the equipment it needs.

Dunbar's athletic teams are so good, in part, because the culture that surrounds the school values sports more than studies. In addition to this, though, Dunbar's coaches know something many teachers have forgotten: Students must be pushed to their limits to produce excellence. In many ways, the basketball team operates as the old Dunbar once did. It has uncompromising standards, it raises its own money when it doesn't have enough, and it sends its best pupils to the Harvard of athletics, the NBA. Further, its successes foster success. As recent Dunbar graduate Diallo Stroughter says, "They are motivated because they keep winning."

### Proven Formula For Success

The deterioration of Dunbar is especially poignant for the thousands of graduates who knew the school when it was great. While the old Dunbar produced heroes like General Benjamin O. Davis and innovators like Dr. Charles Drew, the modern Dunbar graduated Rayful Edmunds, Washington's Al Capone of cocaine, who now is serving a life term in federal prison.

**America needs 100 city high schools with the caliber of the early Dunbar.**

It is true that many of the changes at Dunbar are symptoms of problems in the greater society. It is equally true, however, that the Dunbar of old had a proven formula for success that is still applicable today. Hard work, a no-nonsense curriculum, and parental involvement created a school that, for a time, stood as an example to all those who thought black city kids were incapable of high achievement. Urban successes, particularly in education, are more important now than they have ever been; 100 city high schools across the country that operated at the caliber of the early Dunbar might make the difference for a generation of black children. By heeding its past, Dunbar could once again inspire greatness.


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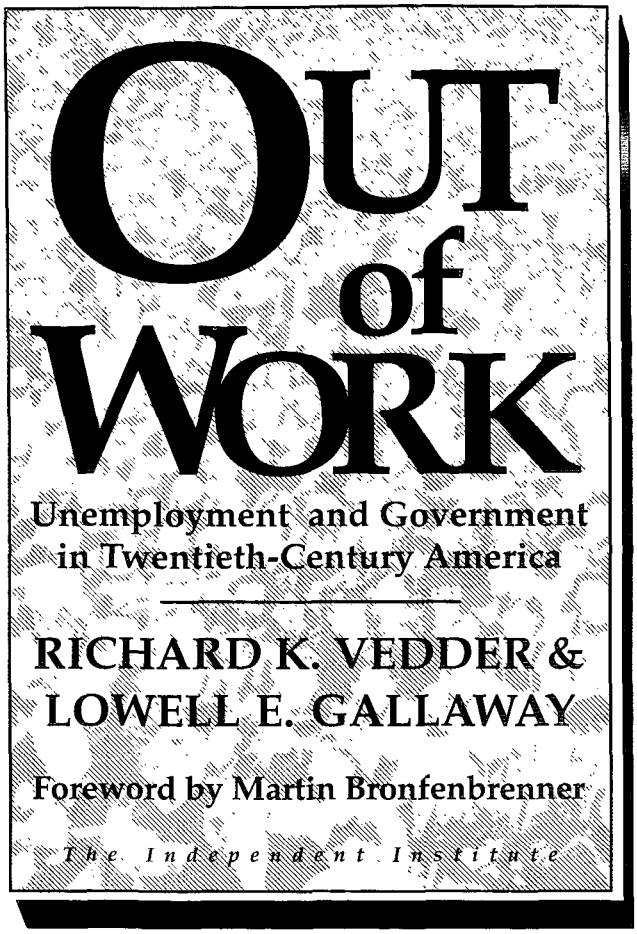
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# Old World Order

## Not All Yanks in Europe Should Come Home

**Philip Merrill**

Twenty-five hundred years ago the Chinese military historian Sun Tsu wrote in *The Art of War:* "To fight and conquer in all your battles is not supreme excellence. Supreme excellence consists in breaking the enemy's resistance without fighting."

This is what the United States and its allies have achieved in defeating the Soviet empire. This is a time of maximum victory for the cause of freedom.

The majority of American troops in Europe now can come home. They have achieved their principal objective: deterring and, if necessary, defending against a Soviet invasion of Western Europe. Already the number of American troops has fallen to 225,000 from 338,000 at the height of the Cold War. Even this lower number now can be cut by two-thirds.

It is still in the interest of the United States to station 70,000 to 80,000 troops in Europe, however. These forces would include two light Army divisions, two or three Air Force fighter wings (perhaps on a rotating basis), command facilities, and bases for servicing long-range aircraft and the fleet. A deployment of this size would be politically acceptable, militarily sensible, and affordable. It would serve three major objectives.

The first objective is to maintain the NATO alliance, although at vastly reduced force levels. With its Cold War victory, NATO has achieved its most important purpose: collective security against the Soviet threat. Its secondary purpose of keeping the peace between the great Western European democracies remains. If NATO now disintegrates, there is a danger that the countries of Western Europe will go their separate military ways, as they did for centuries leading up to World Wars I and II.

NATO simply cannot survive without some American participation, and without NATO it is only a matter of time before we see a reemergence of the nationalist tensions in Europe that so often have provoked conflict in the past. Collective security through NATO may not be perfect, but it is better than the alternative, which is an assemblage of more than 50 countries with no military cohesion.

The second reason for maintaining an American presence in Europe is to continue conducting military training with our principal friends and allies. In the Persian Gulf War, we were able to conduct military operations in concert with the British, French, Italians, and other allies. We must maintain that capability.

The third reason to maintain this deployment is that, like it or not, the one place in the world on which Western civilization depends is the Middle East. Without Middle Eastern oil—especially Saudi Arabian oil—the lights go out all over the world. As every recent American President has made clear, the United States is prepared to fight to assure that this vital resource is not abruptly denied us.

To maintain this policy without the base structure, logistics, and political cooperation of Western Europe would be very difficult, perhaps even impossible.

### Kiddies in the Sandbox

NATO is not obsolete with the end of the Cold War. The grand alliance has achieved its principal purpose of stopping the Soviet Union from invading Western Europe. But there was a second important reason for the establishment of NATO. This was to ensure that our Western European friends, especially the larger nations of Britain, France, Germany, and Italy, no longer would fight with one another.

After World War I, French and German military forces operated in an atmosphere of distrust, isolation, secrecy, and fear. Whatever the economic strains that now exist between those two countries, their borders are open, their militaries cooperate, and neither expect Napoleon or Hitler to reappear as aggressive military reincarnations. Britain and France are both nuclear powers, but even after hundreds of years of intermittent warfare, neither targets its missiles on the other and neither believes there is even the remotest chance of such a development.

One of the principal reasons for this calm is the integrated command and control structure of NATO and

Philip Merrill *was NATO assistant secretary general for defense support from 1990 to 1992. He has served in five administrations in the Department of State, the Department of Defense, and in the White House. He is currently the publisher of* Washingtonian *magazine.*



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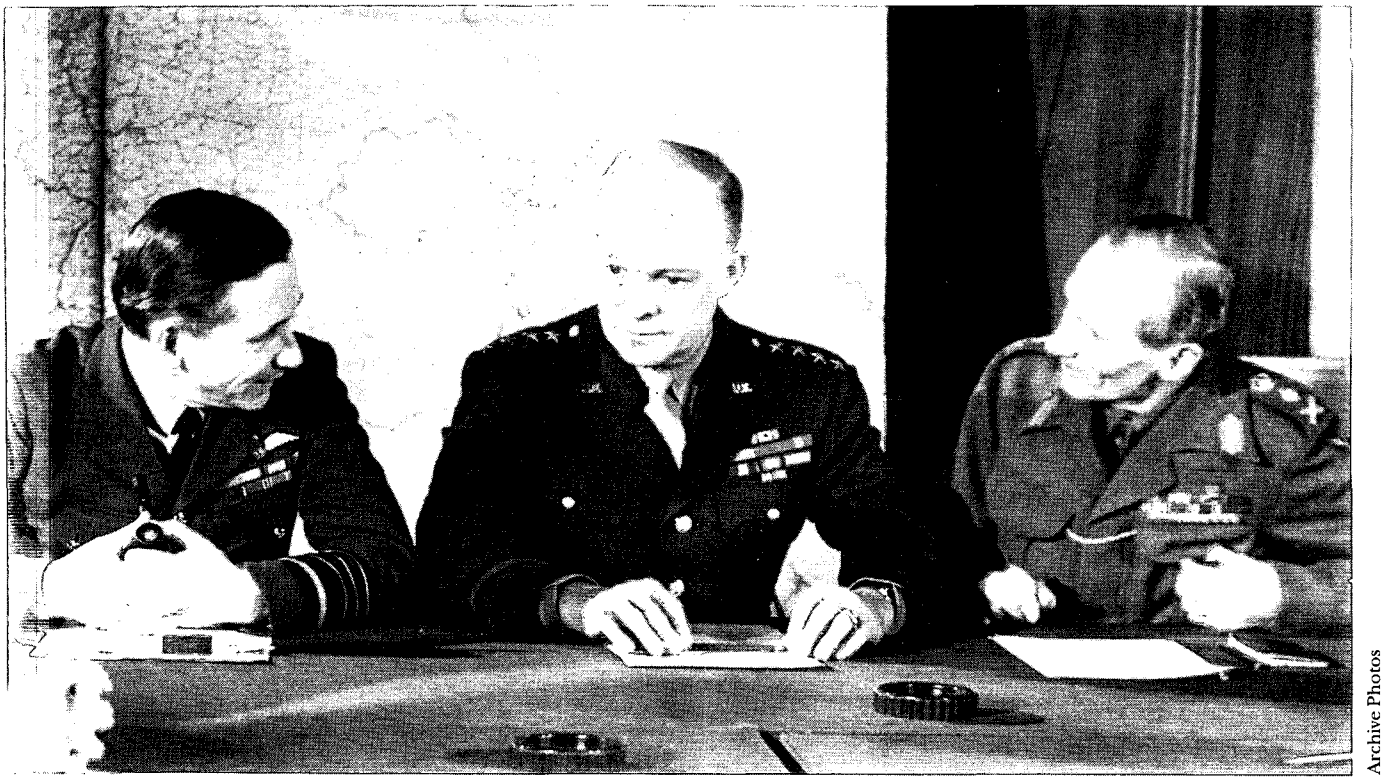

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**U.S. and British generals meet during World War II. We need enough troops in Europe to train regularly, reasonably, and at militarily effective levels so we are prepared to cooperate with our allies anywhere in the world.**

the harmonized defense industrial bases of its members. Is the command structure perfect? No. Do nations compete over military contracts? Yes. But the integration is sufficient to assure that no NATO member can plan or operate a military undertaking against another, or even consider it, without instant awareness throughout the NATO community.

Why should we give up this great achievement? If Western Europe could provide its own integrated defense and security without United States or North American participation, we would be delighted. Unfortunately, all of the NATO countries and most of the former Warsaw Pact members believe the participation of the United States is an essential ingredient for permanent peace. Even the French, who cooperate but do not formally integrate their military with NATO, prefer a U.S. military presence in Europe to a complete withdrawal.

**Keeping a couple of divisions in Western Europe is no more expensive than keeping them in Alaska, Hawaii, or Texas.**

This overwhelming European desire for us to keep some military presence in Europe can be explained only by the fear that without us Western Europeans will renationalize defense commands and procurements. To put it undiplomatically: the kiddies cannot be trusted to play in the sandbox without adult supervision and, in this instance, the kiddies know it.

The emergence of democratic capitalism through most of Europe has not yet suppressed thousand-year-old hostilities that could break out again and, ultimately, require our military involvement, as they did in World Wars I and II.

It is a cheap insurance policy for Western Europe as well as for the United States to keep sufficient American presence to preclude renationalization, to maintain military integration, and to avoid any prospect of war.

### Stretching Our Resources

The second objective in maintaining a U.S. military presence in Europe is to conduct multinational training so we can cooperate effectively with allies in war.

With the Cold War over, we no longer face a single overriding threat. Rather we must return to a more traditional way of looking at the world, in which our forces must be flexible enough to meet an uncertain threat. For most of history, today's enemy could become tomorrow's friend and vice versa. How many Americans in 1941 could have predicted that a decade later Germany and Japan would be American allies?

That we are unable to predict specific threats does not mean that warfare is ended. By the end of this decade, at least 15 countries will be capable of hitting Europe and the United States with long-range advanced conventional missiles—and many of those countries will be able to equip missiles with nuclear, chemical, or



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biological warheads.

We cannot rely on the United Nations to deal with such threats. It would be foolish to count on support from the Chinese and Russians at the Security Council, even though we received such support in the Persian Gulf. China and Russia may not be our enemies, but each may differ with us in important regional conflicts.

At the plenary level, the vast majority of the 181 U.N. members are dictatorships of one variety or another whose way of looking at the world is vastly different from our own.

It is therefore to our friends and allies, meaning the great industrial democracies of the world, that we must look for cooperation. These are principally the members

**U.S. troops should not be expected to intervene in ethnic conflicts in Eastern Europe.**

of NATO plus Japan and a few other countries, mostly in Asia.

Cooperation in any meaningful military sense requires training. The success of the air war in the Gulf in large measure can be traced to the composite exercises of NATO air forces in Western Europe.

The term composite exercises refers to the operation of six types of airplanes, from eight bases, using pilots from five nations, and conducting real military missions under comprehensive and understandable air-tasking orders. In the Persian Gulf War, such air tasking orders frequently totalled 1,000 pages a day and involved sea- and land-based craft from different services of different countries. Such an operation could never have been carried out had it not been for the ongoing, year-in year-out training of NATO's integrated air forces.

The same was true for naval forces that sailed under NATO signals, including the French, and that also had a long history of integrated technical, tactical, and practical operational experience.

It is easier to integrate the operation of planes and ships because each is a separate platform with a single commander. No military man believes that integration of ground troops below the division level is very practical. American commanders, quite rightly, favor a corps headquarters command structure incorporating divisions from different countries. Squad leaders who speak different languages and come from different cultures cannot operate easily together. But divisions, operating under integrated command, can—as was shown in the Persian Gulf.

In the new world disorder, with many potential threats, the United States can multiply its military resources by acting in concert with other great democracies. Sometimes we will have to act alone, but wherever possible, we will want to work with forces from British, French, German, Italian, and other European allies. Thus we need enough troops in Europe to train regularly, reasonably, and at militarily effective levels so we are prepared to cooperate with our allies anywhere our assistance is needed in the world.

### Oil for the Lamps of Kansas

The third great reason for maintaining a permanent deployment in Europe is the oil in the Middle East.

Americans do not like to think we fight for oil. During the Persian Gulf War, we said we were fighting Saddam Hussein, a cartoonish villain with his combination of naked aggression, brutality, and potential nuclear or chemical capacity. What really frightened us and drove us to war, however, was that such a tyrant was about to effectively control the world's oil supply.

Every president over the past 50 years has made it clear that the availability of Middle Eastern oil is a vital interest to the United States and the West. During the Cold War it was necessary to make that point to the Soviets. Following the Cold War, we have to make it to Iran and Iraq, among others—and we have to be prepared to stop any conflict in the Middle East that would interfere with a regular flow of the oil supply from Saudi Arabia and the neighboring Gulf states.

Fortunately for us, the nations of Western Europe have the same interest. Not only is direct European help very important for our efforts to protect the Middle Eastern oil supply, but to send our forces to the Middle East we also need European infrastructure, logistics, bases, and transit rights.

During the war against Iraq, American warplanes flying from the United States to the Persian Gulf averaged 7 to 15 mid-air refuelings. We could never have undertaken that operation without the huge basing and refueling facilities of Torrejon in Spain and Rhein-Main in Germany. Diego Garcia, the island in the Indian

**It would take Russia 15 years to reconstitute a serious threat to Europe.**

Ocean where we maintain pre-positioned ships and equipment, is 3,500 miles from the head of the Persian Gulf—further than Dublin.

### Intelligence and Logistics

We still need to maintain certain intelligence facilities in Europe, especially to keep track of the various parts of the Soviet military machine, now engaged in a giant garage sale. We need to keep track of where Russian scientific and nuclear engineering talent may be going and we need the cooperation of our allies in this effort.

We also need to maintain an infrastructure and logistics capacity. That means we need enough forces to


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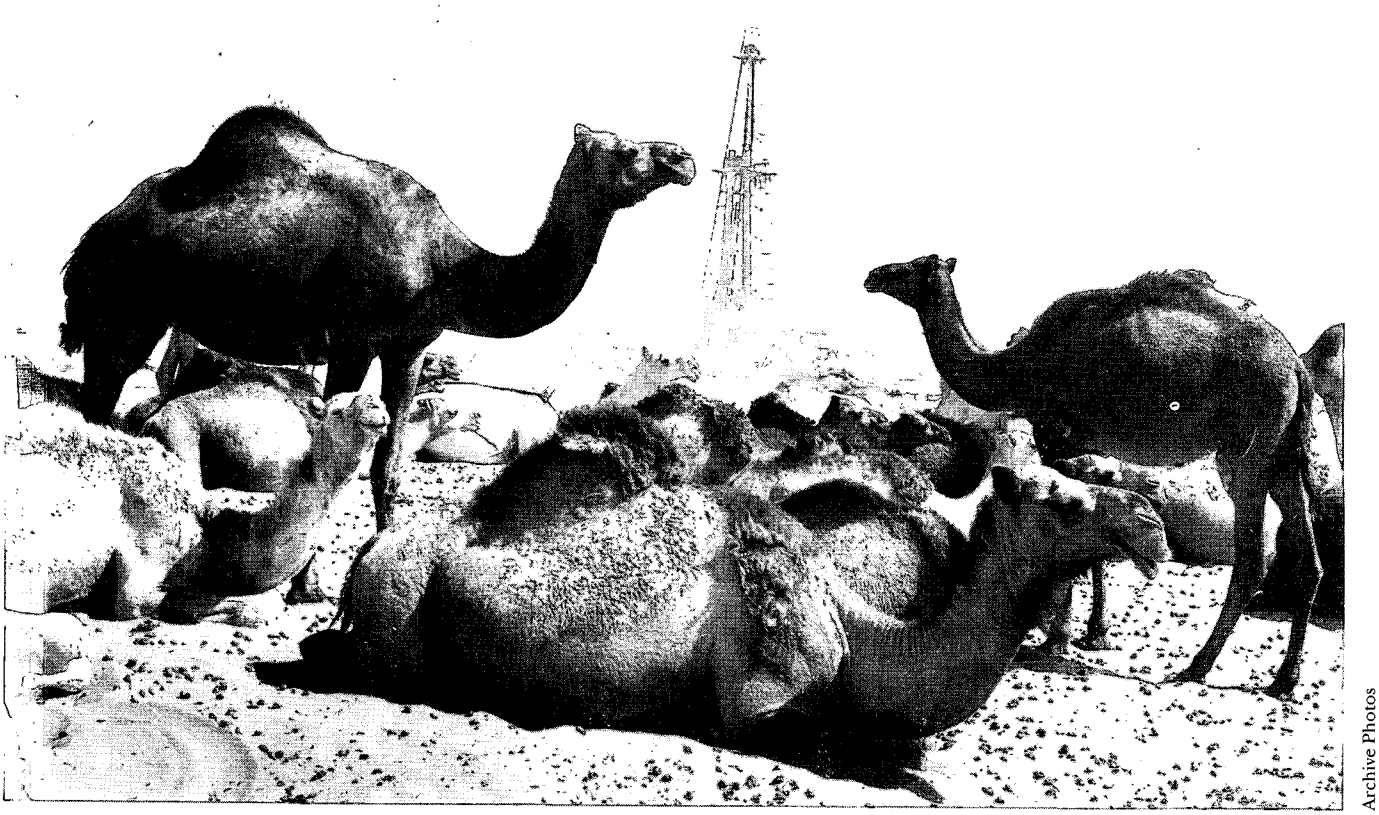

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**The United States cannot protect this oil without bases and allies in Europe.**

refuel and equip the fleet when it calls at Naples, to maintain the pre-positioned equipment already in place in Europe, to operate, service, load, and refuel various kind of airplanes, and to provide the support for American troops who may be in transit. In sum, we need intelligence, infrastructure support, logistics, maintenance of existing service facilities, and capacity to deal with reinforcements.

The Army quite rightly maintains that the minimum fighting force that can operate on its own is a corps headquarters with at least two divisions. Otherwise, it is not a fighting force, and cannot train effectively in either unit terms or integrated command exercises.

A regular U.S. Army division has 18,000 to 20,000 men, a light division about 14,000 to 18,000. Heavy divisions are what we have deployed in Europe. Their purpose, with heavy armor and artillery, was to defend against heavy Soviet assault troops.

But if we wish more flexible use of our troops, light divisions—basically meaning those with lighter and more mobile equipment—are more desirable. This does not mean the Army needs no heavy divisions. It only means that Europe may not be the best place to deploy them.

The United States no longer can afford to maintain two armies, one for Europe and one for the rest of the world. The divisions we keep in Europe should be relatively light divisions capable of being used outside of Europe.

What we get out of such a relatively small deployment is political-military support, cooperation in training, and logistics and infrastructure. What the Europeans get is the maintenance of the trans-Atlantic link, a collective say in when and where and who we fight, an arbiter and peacemaker inside Western Europe, cooperation in staying abreast of and getting operational experience in new military technologies, and most important of all, the sense of shared safety and security that comes with being part of a successful collective defense.

### Willkommen But Not Bienvenu

Our purpose in staying in Europe is to maintain the victory we just have won, and to insure against future conflict. But we should stay only as long as the Europeans want us. At the moment both Eastern and Western Europeans want us to remain fervently.

Some Europeans want a common defense and foreign policy of their own. This is a development we should encourage. But a defense or foreign policy is the outward manifestation of a shared domestic consensus. Europe as a whole has no such consensus at this time. Should one develop over the years, and should Europeans indicate a desire for U.S. withdrawal, we should be ready, willing, and eager to leave.

For now, U.S. troops are welcome in Britain, Germany, and Italy, but not in France. Over time, perhaps several years, we will have to work out some form of accommodation with France, because eventually Germans will tire of having exercises on their territory but not in France. But this is a problem for the Europeans to work out among themselves.



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Photofest

**The battle of Agincourt. The emergence of democratic capitalism through most of Europe has not yet suppressed 1,000-year-old hostilities that could break out again.**

One only can hope that France will come to see that it is one of several middling powers whose true security lies in collective defense with its neighbors, together with the United States. France's current view of itself as a totally independent sovereign pretending to be a superpower confuses perception with reality. But the U.S. position should not vary from being willing to stay where we are wanted, and unwilling to stay where we are not.

### Keep Out of the Balkans

The American troops in Europe would not be expected to intervene in ethnic conflicts in Eastern Europe. Neither the United States nor any other country in Western Europe has the political capability to intervene decisively in, say, Bosnia, or in any other Eastern European conflict that looks as if it can be contained.

The war in the former Yugoslavia is horrifying, but it does not threaten either the United States or Western Europe in the way that conflict in the Balkans did before World War I. Then the great powers of Europe were deeply involved in the Balkans, each on different sides. But there is no danger today that Russia and Germany will go to war with each other over Bosnia. Nor do the Serbs, Croatians, or Bosnians threaten in any way to invade the rest of Western Europe as did Hitler or Napoleon. To the contrary, this conflict has been contained within its own rough borders.

Maintaining the collective security apparatus of NATO makes it less likely, in fact, that ethnic conflicts will spill over into continental wars. If NATO is maintained, no nation in Western or Central Europe will be tempted to act singlehandedly, even in pursuit of the best of motives.

### Russia No Longer a Major Enemy

Nor would the American troops be stationed in Europe as protection against a possible resurgence of militarism in Russia. Russia is no longer a major enemy of America and the West. It is not projecting power into the Third World. It is no longer trying to interfere with the West's oil supply; on the contrary, the West now has an interest in expanding Russian oil production, which would diversify world oil supplies and lower prices. No longer do 115 Warsaw Pact tank battalions parade up and down the inner German border practicing offensive maneuvers within a day's drive of Frankfurt and Munich.

Russia still may pose some serious problems for the United States and its European allies. There is a danger of arms sales to hostile countries. There is the risk of possible intimidation or invasion of the Baltic states. There is the possibility of a conflict with Ukraine that could spill over into a larger East European war. There is the threat of such environmental catastrophes as Chernobyl. Above all, there remains a danger from the thousands of nuclear warheads on Russian soil, many of them still aimed at the United States.

But the danger of a blitzkrieg Soviet invasion of Western Europe is over. The Russian armed forces are riddled with discipline problems and thoroughly demoralized, and it has been unable to keep up with the revolution in Western military technology demonstrated in the Persian Gulf. Deprived of its Warsaw Pact allies, an aggressive Russia would now have to change railroad gauges and pass through a hostile Poland and Belarus or Ukraine to get to Germany. It would take Russia 15 years to reconstitute a serious threat to Europe.

### Still Need NATO

NATO, the greatest and most successful alliance in history, is dealing with the consequences of its own success. We are in a dynamic transition process to a new security order in a world that is still blurred and ill-defined, but that carries with it a greater likelihood of multilateral military operations.

The new problems we may confront, however intricate or difficult, as in Somalia, Iraq, or the former Yugoslavia, are preferable by far to those of the Cold War.

Keeping a couple of divisions in Western Europe is no more expensive than keeping them in Alaska, Hawaii, or Texas. It keeps the alliance alive, and gives us time to sort out the coming linguistic, racial, and ethnic feuds that are sure to erupt in Eastern Europe and the former Soviet Union. It also provides opportunity for the Europeans to come to grips with the growing fundamentalism in the oil-rich Middle East.

We have reason to take pride in our victory and no reason to withdraw completely from Europe, and thereby risk an inability to meet lesser future challenges. ☎



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## New GOP Congressmen Tell Their Running Secrets

**William P. Baker, Peter Blute, Henry Bonilla, Stephen E. Buyer, Bob Inglis, John Linder, Deborah Pryce, Jim Talent**

It rapidly is becoming clear that 1994 will be the most important year in American politics since the 1980 race between Jimmy Carter and Ronald Reagan. Abandoning his "New Democratic" tax promises in the 1992 elections, President Clinton is unabashedly identifying the Democratic Party with the old-time religion of a large and activist federal government. The congressional elections of 1994 will be the first real opportunity for voters to say whether they agree with this direction.

If the Democratic Party maintains its overwhelming majority in both Houses of Congress in 1994, then the Reagan Revolution truly will be over, and the federal government will likely grow in size and intrusiveness into American life. If, however, the Republican Party makes substantial gains, then there is a good chance that the Clinton presidency will be just a temporary interruption in the downsizing of central government. These choices were muddied in 1992 because Mr. Clinton ran to the right of President Bush on many taxing and spending issues. In 1994, the choices will be clearer.

If Republicans want to make major gains in Congress, they will have to run more effective campaigns than they did in 1992. Even with George Bush at the top of the ticket, the GOP should have picked up at least 25 or 30 seats in the House last November, simply as the result of redistricting and public unhappiness with incumbents in Washington, most of whom were Democrats. Instead, the GOP picked up only 10 seats.

The good news for the GOP is that its 47-member freshman class in the House is filled with energy and talent, and is a goldmine of information about how to run for office in the 1990s. Winning congressional elections is a matter of effective campaign strategy and organization as well as picking the right issues to win voters' confidence. The new Republican members of Congress had to do both.

*Policy Review* asked eight GOP freshmen to explain how they won House races in districts that could not be assumed to be automatic Republican victories. Their stories follow.

### William P. Baker (R–CA)

How did I win my race for Congress? By outrunning bullets.

We started running seriously in December 1991. My campaign raised over $600,000. We recruited 1,000 precinct workers. We set up card tables at 40 shopping centers to pass out literature and register Republican voters.

We ran an old-fashioned grass-roots political campaign. While today's campaigns rely almost exclusively on television and direct mail, ours focused on getting out and actually meeting voters. We made phone calls, passed out flyers, and hung signs.

Our people knocked on every door in the district. We also held about 65 coffees in voters' homes, where I would meet with neighbors to learn what was on their minds and to discuss where I stood on major issues. This proved to be an effective way of overcoming many of the stereotypes in the media about conservative Republicans. Typically about 20 or 25 neighbors would meet with me. The coffees were a perfect opportunity to recruit campaign volunteers, and also to show that here was one politician who was not out of touch. As a congressman, I will continue to hold these types of neighborhood meetings whenever I'm back in the district.

I ran on three principal issues: balancing the federal budget; maintaining a strong defense; and improving transportation in the San Francisco Bay Area. The 10th District is located in suburbs east of San Francisco in an area known as the East Bay.

I argued that the federal budget could be balanced in three-and-a-half years if we had an across-the-board freeze on spending. I didn't campaign against specific



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spending programs, each of which has its own constituency. Instead, I said $1.5 trillion was enough for the federal government to spend, and freezing expenditures at that level would force Congress to do a better job setting priorities, and would force federal agencies to prioritize within their own departments. I cited my four years of experience as a budget analyst for the state of California under Governor Reagan as a useful tool to work on the federal budget.

On defense I talked about the potential threat from countries like Iran, and argued that we have to maintain the strength to deter attacks from terrorist nations and organizations. I strongly supported the strategic defense initiative (SDI), which is all the more important in a time of proliferating nuclear weapons. My support for SDI is widely shared in the district, which includes both the Livermore and Sandia National Laboratories.

My transportation priority was to complete road and rail-line construction to encircle the Bay Area. I promised to work with Norm Mineta, a Democratic congressman from San Jose who chairs the Public Works and Transportation Committee, to make sure the job got done. To honor this campaign promise, I joined this committee after I was elected, as well as the Science, Space, and Technology Committee, which oversees research and development on energy, technology transfers, and SDI.

### Downplaying Abortion

I did not run against Congress in my campaign. I ran as someone who would represent my district effectively, and would work well with members of both parties in achieving my budget, defense, and transportation goals. I did, however, discuss possible congressional reform measures, with a focus on cutting wasteful spending. Such measures included passing a balanced-budget amendment and a presidential line-item veto. When asked my position, I said I was for term limits, but did not make this a major part of my campaign.

Nor did I make social issues a big part of my campaign. When asked about my views on abortion, I said I was pro-life, but thought there should be exceptions in the case of rape and incest and to save the life of the mother. I also supported the Supreme Court decision upholding Pennsylvania's parental consent law. My opponent tried to make my pro-life position an issue in the campaign, but even though I didn't go out of my way to advertise my views, I didn't waffle on the subject either. I concluded, I think correctly, that the voters would respect an honestly held view of abortion, even if they didn't always agree with it.

Photo courtesy of Rep. William P. Baker

**"I did not run against Congress in my campaign. I ran as someone who would effectively represent my district." —Rep. William P. Baker**

My 12 years of experience as a state legislator were both a help and a hindrance in the campaign. Obviously, it helped that many voters already knew my name and liked my work representing them. On the other hand, my opponent, Wendell Williams, ran against me on the grounds that I was a professional politician.

The biggest challenge of the campaign was running as a Republican in a state where George Bush lost by 2 million votes. I openly supported President Bush, and our tables at shopping centers worked for him as well as for me. But voters in California wanted change. Since President Bush did not aggressively make changing Congress the issue, they concluded it was easier to change a Republican president than a Democratic Congress.

This hurt Republican candidates across the state. In our district we registered 6,000 new voters in the last six weeks of the campaign, but the Democrats registered 9,000; during 1992, GOP registration in the district fell from 45 percent to 43 percent, while Democratic registration stayed at 42 percent.

In the end, I won with 52 percent of the vote to my opponent's 48 percent. I polled nine points ahead of registration, and 17 points ahead of President Bush. Without the hard work of my campaign—especially the volunteers—I would not have avoided the Democrats' tidal wave in California.

## Peter Blute (R–MA)

"Congress doesn't work but Peter Blute will." My campaign slogan from last fall probably best describes how I defeated an 18-year Democratic incumbent. In a central Massachusetts district that Bill Clinton won overwhelmingly, with George Bush winning only 28 percent of the vote and Ross Perot garnering 20 percent, I was able to win with 53 percent.

The incumbent, Joseph Early, was a low-profile but very powerful congressman who had a reputation for delivering federal largesse to the district through his high-ranking position on the House Appropriations Committee. However, he also was one of the top-20 check-bouncers in the House of Representatives, and I used this fact to my advantage in shaping my slogan as



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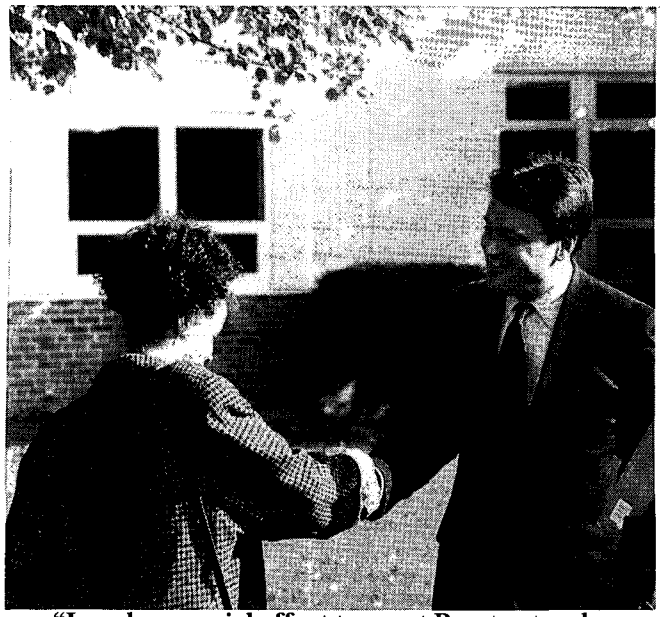

Photo courtesy Rep. Peter Blute

**"I made a special effort to court Perot voters by making deficit reduction a cornerstone of my economic plan."—Rep. Peter Blute**

well as my campaign strategy.

The three issues that I focused on were congressional reform, economic growth, and health care. I campaigned most aggressively on congressional reform—where my opponent was weak due to the check episode and his acceptance of the congressional pay raise. I advocated term limits and the abolition of needless committees. To back up charges that Congress was abusing its financing privileges, I pledged not to send out massive, district-wide mailings. Additionally, I promised to reject the cost-of-living adjustment given to Congress and to shun such perks as the House barber shop and members-only parking at National Airport.

On the economy, I made a special effort to court Perot voters by making deficit reduction a cornerstone of my economic plan. I also called for research-and-development tax credits, a spending freeze, and a balanced-budget amendment. While the incumbent opposed the line-item veto, I reached out to potential Clinton voters by strongly advocating it and quoting Bill Clinton in support of my position.

In talking about health-care reform, I stressed the importance of maintaining a competitive system instead of a Canadian-style government-funded model. I stressed the need for more efficiency, but also made the point that in reforming America's health-care system, we must be careful not to throw out the good with the bad.

My victory was the result of strategy as well as my stands on issues. Because of redistricting, the ability of my campaign to adapt quickly to the new boundaries plus the accessibility and accountability of our campaign enabled us to be successful.

## Henry Bonilla (R–TX)

Can a Republican talking about free enterprise get elected in a district that is 62 percent Hispanic and 69 percent minority? You bet he can. I defeated Albert Bustamante, a four-term Democrat heavily supported by labor unions, by 59 percent to 41 percent. It was the largest margin against an incumbent anywhere in the country.

I campaigned as the candidate who would help small business and thereby generate jobs. Big government, I said, was killing business with its burden of taxes, paperwork, and over-regulation. I favored tax breaks for small businesses in their early years, and a "one-form rule" that would simplify paperwork. I also called for cutting the self-employment tax. Meanwhile, I pointed out, my opponent was voting against the National Federation of Independent Business position 80 percent of the time.

My message on taxes and regulation was hammered home by owners of small businesses who worked for the campaign—like Jaime Saënz, an auto-parts distributor in Dimmit County, and José Cuevas, a restaurant owner in Midland. They won big support for me in some parts of southern Texas that had never listened to a Republican before. I also campaigned for a strong military and for reviving the domestic energy industry. Oil and gas means more jobs for Texas, as well as for the entire United States.

My opponent voted to raise taxes. I pledged not to, saying there was enormous waste in the federal government; until the politicians in Washington cut the waste, they should not even think of taking more money from working people.

My opponent had sponsored the Balanced-Budget Amendment, and then flip-flopped and voted against it. I promised to support such an amendment. My opponent had voted to raise congressional salaries; I pledged to give cost-of-living increases back to the district in charitable contributions. Instead of a pay raise, I said Congress should cut its pay in half unless it cuts the deficit in half.

I supported the North American Free Trade Agreement (NAFTA), which would be very helpful for the entire Southwest. Already 3,000 trucks cross the border every day at Laredo, and the Wal-Mart in Laredo does the largest volume of any in the country. But my support for NAFTA helped me most among business people. It wasn't a big issue for most regular voters, and I didn't make it a big part of my campaign.

I attacked my opponent's bounced checks. I clobbered him for his junketing, his low attendance record, and missed votes. I also criticized him for providing almost no constituent service. He wasn't even answering his mail.

My opponent tried to undercut my support by saying I'd threaten Social Security and food stamps and vote to cut the minimum wage. These were false charges, and I denied them. But I did campaign for workfare, not



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welfare. This is a very popular issue in my district. I found strong support for my position in places like Zavala County, birthplace of the radical movement La Raza Unida. The people there are very concerned about a declining work ethic in America.

I found there is no need to tailor the Republican message to the Hispanic voter. The message of opportunity through free enterprise plays very well when you play it straight. It cuts across party, ethnic, and cultural lines throughout America.

## STEPHEN E. BUYER (R–IN)

To run for Congress, you need "fire in the belly." I decided to run when I was serving in Saudi Arabia during Operation Desert Storm, and I read in my hometown newspaper that my congressman had voted against the war. I felt deserted, as if the person who was supposed to be representing me in Washington had abandoned me.

Indiana's Fifth District encompasses all or part of 20 counties in the northwest part of the state. Agriculture, manufacturing, and small business account for most of the jobs in this family-oriented area.

The incumbent, Jim Jontz, was a tireless campaigner, known for attending numerous parades, door-to-door campaigning, and a heavy dose of mailings to the district. He served on the House Agriculture and Interior and Insular Affairs Committees. Prior to serving in Congress, he was a state senator and state representative in the Indiana General Assembly. Mr. Jontz had devoted his entire adult life to politics, never working in another profession. A goal of my campaign was to define him for what he was, a professional politician who was part of the problem in Washington. In addition, I sought to portray him as a radical environmentalist who was hurting agriculture and taking away jobs.

### The Spotted Owl Albatross

Mr. Jontz was a strong advocate of the spotted owl in the Pacific Northwest. He even gave up his assignment on the Veterans Affairs Committee to serve on the Interior Committee so he could work more effectively to protect the spotted owl. The spotted owl became his albatross. By citing rising timber prices that added $3,000 to new homes in Indiana, I was able to demonstrate how his policies affected people back in Indiana.

While I share his concern, I believe in a balanced approach to the environmental question. The benefits of environmental protection need to be weighed against their effects on families and jobs. Too often people are left out of the environmental equation.

In addition, farmers in the district became disenchanted with Mr. Jontz because he was on the wrong side of the wetlands issue. The federal government developed a very broad definition of what constituted a wetland, forcing many farmers to remove land from production. Mr. Jontz refused to intercede on the farmers' behalf in order to facilitate a fairer and more concise definition of wetlands. His actions afforded me with another example of his radical environmentalist policies that cost Hoosiers jobs.

Congressional reform was an issue I supported strongly during the campaign. I pointed out during the campaign that in order for Congress to begin to tackle the tough problems that are before our nation, it must begin to get its own house in order. Restoring integrity to Congress as an institution is critical and overdue. Contrasting my position with my opponent's, I focused on his heavy abuse of the franking privilege and pledged to limit myself to one district-wide postal patron mailing per term. In addition, I called for an end to career politicians, supporting term limits of 12 years for both senators and representatives.

**"I decided to run for Congress when I was serving in Operation Desert Storm, and I read in my hometown newspaper that my congressman had voted against the war."—Rep. Stephen E. Buyer**

The deficit and reduced government spending were two other areas where Mr. Jontz and I disagreed. I believe that small business is the engine of our economy. The investment tax credit, along with cuts in capital-gains taxes, will spur economic investment. Providing incentives to business to risk capital for job creation is critical to getting the economy moving. On the spending side, I called for a line-item veto and a balanced-budget amendment. My opponent sought only to cut government programs that did not affect the district as a means of dealing with the deficit. It was my opinion that we could do better, including restoring the public's faith and trust in their elected officials.

As I mentioned earlier, my opponent was a tireless campaigner, and I made the commitment in the beginning of the campaign that I was not going to be outworked. During the campaign I knocked on over 19,000 doors, participated in over 70 parades, attended over 20 county fairs, and held more than 40 coffees or house parties throughout the district. It is hard work, and you need to make the commitment to yourself, your family, and your supporters that you are willing to work harder than your opponent to win.

The most important contribution to my victory came



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from volunteers and my family. During the early stages of the campaign, I spent a lot of time developing a volunteer organization. I knew the size of the district required a strong grass-roots network. Volunteers were recruited to become county, town, and precinct coordinators. The organization really flexed its muscle during the final month of the campaign when I became ill with pneumonia and was forced to stay in bed for two weeks. The volunteers stepped in and the campaign was able to continue. I would say that our momentum increased during my absence. We were able to continue with every event and every scheduled appearance during my absence. It was at this point that we realized that because of our volunteers' commitment and dedication, there would be a new congressman representing Indiana's Fifth District.

## Bob Inglis (R–SC)

Last year, the voters of the Fourth District chose me to represent them in my first and only bid for public office. Throughout the race, which involved a three-term incumbent, I repeated a very simple theme to bring home my point that it was time for a change.

**"I pledged to limit my service if elected."—Rep. Bob Inglis**

My district is in the northwest part of our state, and includes Greenville and Spartanburg. During frequent door-to-door visits and meetings with community groups, I continually asked voters the same question, "Are you happy with the Congress you've got?" Invariably, their answer was "No."

I followed that question by describing how I would do things differently if I were elected—how I would work with other reformers in Congress to make the institution more productive and more accountable to the people it serves. I advocated a series of changes: term limits, abolishing political action committees, and establishing real budgetary reform such as a true line-item veto.

I backed up my commitment to change by applying key principles to myself, believing strongly that anything less would by empty rhetoric. For example, I not only ran on a platform including term limits, but I also pledged to limit my own service if elected. After the election, I followed up on that commitment and vowed to limit my own service to three two-year terms.

Similarly, I refused PAC money during the campaign while pledging to work on abolishing PACs. To date, I've already returned three unsolicited PAC checks.

Unlike some past campaigns, I never tried to portray the incumbent, Liz Patterson, as a liberal who was out of touch with the district. The contest, as I saw it, involved nothing personal against her. Rather, the choice for voters was simply two different approaches to service in Congress. They had the option of maintaining the status quo in Washington with an entrenched incumbent or increasing the potential for real change with a committed reformer. The voters apparently agreed with me that it was time to give someone else a chance.

## John Linder (R–GA)

Running for elected office is a difficult endeavor, and many elements factor into a winning equation. Probably as many people offer advice as there are precincts, but opinions often are contradictory, and a candidate is forced to distinguish the good from the best strategies. For me, the best strategy was going with my gut instincts and learning from the mistakes of my first run for Congress.

After serving in the Georgia General Assembly for 14 years—which meant running for state office seven times—I knew the people and the area well. Local issues that concerned them were issues that I had addressed in the legislature. My experience in state politics gave me a base of experience and knowledge to make judgments on what would and would not work in a campaign for Georgia's congressional delegation.

I have been told that most elected officials lose their first run for office. After losing my first campaign and winning my second, I understand why. The first campaign served as a testing ground and shaped my strategy in the second. The lessons I learned from my defeat in 1990 enabled me to achieve victory in 1992.

In 1990 I ran against a liberal Democrat incumbent, Representative Ben Jones. Our messages appealed to polarized groups, which meant I had to reach and appeal to those in the middle. My campaign adopted a mass-appeal strategy, which would have been effective if I had used a different approach. To reach a mass audience, you must use the mass medium. I used direct mail, which is not an effective way to reach voters because it has a shelf life of about 14 seconds. Direct mail also cannot counter an 11th-hour attack.

By starting a full campaign 18 months before the election, I started spending money too early. I hired a full staff without any substantial projects to warrant the expense. These unnecessary extra salaries took a big chunk from funds that were needed desperately in the end. Representative Jones staged a last-minute negative ad campaign that I was unable to challenge because I did not have the money for a counter-media blitz.


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In 1992, reapportionment changed the makeup of the Fourth District dramatically. The home base that I had represented was removed, along with Ben Jones's home base. Jones decided to run in the 10th District, which pitted me against a fellow state legislator, Cathey Steinberg. The new Fourth District, which is in the Atlanta suburbs, included Ms. Steinberg's state district, giving her the home-base advantage, but I maintained the name recognition from my last campaign. That placed us on equal ground, with issues and strategy being the key.

The strategy in 1992 focused on maximizing campaign funds. I spent less money—$500,000 versus $790,000 in 1990—but spent it more wisely. This time there was no elaborate campaign staff—no press secretary, no finance manager, and no precinct organizers. Instead, two exceptional people ran the show. The money saved in salaries was used for an extensive TV campaign two weeks before election day. This TV campaign worked because it reached large numbers of voters, and also because people knew who I was and where I stood on the issues. In 1990 I was established as a hard-core conservative and people knew what that meant.

### Softening the Image

Representative Jones had stereotyped me as a radical right-winger, and Ms. Steinberg tried to do the same. I learned from 1990 that I had to soften my image, so I ran commercials showing me with children. While she kept claiming, "He's extreme, but I'm mainstream," I repeatedly placed a softer image in the minds of the voters with these ads. Voters in the middle do not want an extremist on either side. Ms. Steinberg was the only person labeling the candidates and even labeled herself by saying, "He's going to call me a liberal." When I never did, people saw her calling herself a liberal, while I played with children and talked about the community.

Voters did not want to hear labels, but instead were interested in the issues. The presidential race made the economy the primary issue, with Ross Perot calling attention to the deficit. In one of my most effective TV commercials, I held a squalling baby in my arms and said, "He's only six weeks old and already his share of the national debt is $16,000. It is time to pay the bills." I supported a spending freeze for two to three years at last year's levels—with everyone sharing the pain.

In addition to the spending freeze, I supported a balanced-budget amendment, a line-item veto, and called for some specific spending cuts—for example, eliminating the National Helium Reserve. The government should not be in the business of subsidizing poor artists, rich farmers, bee keepers, boating enthusiasts, or any other group that can organize and hire a lobbyist.

I took a "no-new-taxes" pledge, citing the growth we experienced from Ronald Reagan's tax cuts. Every time we have cut taxes, revenues have risen; every time we raise taxes, we increase the deficit. We need to cut the capital-gains tax and lower payroll taxes, which would put cash back in the hands of investors.

Congressional reform was another major plank in my platform. I ran against Congress as an institution, criticizing the excessive perks and privileges. I favored a term-limits amendment and pledged to serve no more than six terms. One ad focused on irresponsible spending in Congress, showing a piggy bank crashing to the ground. As three young children pick up the pieces, I approach them, saying, "Congress broke the bank, folks. It's time to pick up the pieces."

Photo courtesy Rep. Henry Bonilla

**Henry Bonilla defeated a Democratic incumbent in a 62-percent Hispanic district. "I campaigned as the candidate who would help small business and generate jobs."**

Because Ms. Steinberg would not take a stand on any of these issues, the best angle of attack was her record in the General Assembly. My TV campaign focused on her voting for legislative pay raises three times, for increased expense allowances, and other perks. I pushed for a debate to crystallize our positions, but she refused to debate and continued to straddle many economic and reform issues, and even capital punishment.

The Year of the Woman and tremendous financial support from women's activist groups gave her a slight financial advantage. Abortion was her central issue, and her top priority was passing the Freedom of Choice Act. She tried to tar me with this issue, saying I was a hard-line extremist. My position was solidly pro-life and attracted support from right-to-life coalitions. They worked hard throughout the churches to rally support and effectively highlighted my position within the Christian community. Abortion was not the focus of our campaign, but my position had been strong and consistent. Instead of concentrating on abortion, my campaign centered around reform and the economy.

Ms. Steinberg relied on press shorthand and symbolism to carry her message, while I focused on major issues. Her strategy did not work, because while she was hammering at me as a supposedly inflexible ideologue, the voters saw John Linder with kids. They also heard me address the issues they were most interested in, while she focused on a single issue. The key was meeting the voters where they were and addressing their concerns. Ms. Steinberg may have outspent me, but I made a reasoned appeal for sensible politics and won.



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## Deborah Pryce (R–OH)

I emphasized two essential themes in my campaign: restoring economic growth and rebuilding the American public's confidence in the U.S. Congress.

The residents of Ohio's 15th District, which includes Columbus and rural farmland to the west, were deeply concerned about the economy and the role the federal government could play in strengthening our competitiveness, creating new, lasting jobs, and preparing our nation's work force for the 21st century. I shared their concerns about stimulating the economy, and spoke often about government having become a hindrance to successful business, and being too intrusive in our lives.

In particular, I expressed my firm belief that government should provide incentives for investment and capital formation, which lead to job creation. Today, businesses, especially small businesses, are burdened by high taxes and costly government regulations.

To illustrate this point, I often recalled a *Wall Street Journal* article about former Senator George McGovern.

**"We need control of government spending before Congress considers raising a single dime more in taxes."—Rep. Deborah Pryce**

As a legislator he often had supported costly regulations. However, when he retired from the Senate and opened a small New England inn, he discovered the difficulty of operating under the weight of government regulation.

I cited the Family and Medical Leave Act as an example. I place great importance on ensuring that our workers are not forced into choosing between secure employment and the need to care for family members. However, I could not support legislation that would impose mandates on businesses and that very likely would lead to discrimination against women in their child-bearing years.

On the key budget issues, I said we need control of runaway government spending before Congress considers raising a single dime more in taxes. I suggested a one-time, 10-percent average reduction in government expenditures, excluding Social Security and interest on the federal debt. In addition, I proposed a 3-percent limit on the growth in federal spending for five years, fiscal years 1995–1999.

I also supported enactment of a balanced-budget amendment to help restore fiscal discipline and simple common sense to the budget process. I said the president should have line-item veto authority so Congress and the White House would be held more accountable when spending hard-earned taxpayer money.

I also worked hard to appeal to the voters' desire for change. It was time to put aside "politics as usual" and make Congress truly representative. I pledged to do all I could to help break gridlock in Congress and to build the consensus and coalitions necessary to make progress on the key issues affecting our daily lives. I portrayed a vote in favor of my Democratic opponent as a vote for the status quo, supporting the tax-and-spend agenda of Speaker Foley and the Democratic leadership. I pointed out that the U.S. House of Representatives had been controlled by the Democrats since before Fidel Castro took control of Cuba!

The campaign had some difficult moments, particularly on the issue of abortion. In addition to a my Democratic opponent, I faced a formidable challenge from an independent, right-to-life candidate who ultimately captured 18 percent of the vote.

For me, preserving a woman's right to choose was imperative. However, by favoring reasonable restrictions such as parental notification, I staked out a middle ground on abortion between the pro-life and pro-choice extremes of my two opponents.

This was not my most important issue. Looking back at our efforts, and those of the hundreds of volunteers who covered neighborhoods door to door, the campaign was most successful in communicating the combined message of economic growth and real congressional reform.

## Jim Talent (R–MO)

Congress has forgotten the American middle class, the people who care about our country, who work hard, who take care of their families. Congress has been overburdening these people, taking too much in taxes, and not delivering enough services in return. We need term limits; above all, we need a Congress more responsive to the American people.

This was the central message in my campaign against Joan Kelly Horn, a one-term incumbent in my suburban St. Louis district. I portrayed Congress as an arrogant and isolated political elite.

Reducing the deficit was another major theme of my campaign, and it was very important in winning the support of Ross Perot's supporters. I strongly supported a balanced-budget amendment, and at the same time I emphasized my record against tax increases in the Missouri legislature. I often pointed out that federal taxes for the average family had risen from 2 percent to 25 percent over the past 40 years.

Maintaining a strong defense was an important issue. Our district does a lot of defense work. I argued that the world is still dangerous, and it is foolish to dismantle our


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military too rapidly. I strongly criticized my opponent for voting against Operation Desert Storm. I also criticized the incumbent for reversing herself and voting against the Balanced-Budget Amendment that she had co-sponsored. This won me support on the merits of the issue. It also got voters wondering: why did she switch?

I did not talk much about social issues, but my pro-life position was well-known. Pro-life volunteers were very helpful in our campaign, and pro-choice volunteers were very active in my opponent's. My pro-life position may have cost me some votes among pro-choice Republicans. On the other hand, it probably won me some support among ethnic Democrats, who were also attracted to my emphasis on term limits and a strong defense.

School choice, I believe, is emerging as an important political issue, but I did not push it in the 1992 campaign. It was not as important as other issues on voters' minds. The same was true of welfare reform. I also deliberately stayed away from a major busing conflict we have in St. Louis. It is important for Republicans not to appear racially divisive.

Nor, unlike some of my colleagues, did I run against professional politicians. If you want someone to represent you in government, no matter what your ideology, you want someone with political skills and experience. Voters don't dislike politicians. They dislike politicians who are part of the entrenched status quo. Bill Clinton is the epitome of a professional politician, but he got elected because he was identified with change.

I could not have won the race without a vigorous grass-roots operation. We held a couple of hundred coffees. We raised money in small group settings. We did a lot of mailings. We ran a major postcard campaign the weekend before the election, in which volunteers sent cards to friends and neighbors asking them to "Vote for Jim." Although my campaign did an enormous amount of door-to-door canvassing, I didn't do much of this myself; I didn't find it a very effective use of my time.

Photo courtesy Rep. John Linder

**"He's only six weeks old, and already his share of the national debt is $16,000. It's time to pay the bills."**
**—Rep. John Linder in a campaign ad**

We were 20 points down in the polls at Labor Day, even though this is a Republican-leaning district. On Election Day, we won by 3 points. It was a tough year for Republicans. But hard work and a carefully chosen conservative message still can lead to victory.


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# Monticello's New Democrat

## What William Jefferson Clinton Can Learn from Thomas Jefferson

John G. West Jr.

First there was Bill Clinton's well-publicized pilgrimage to Monticello, Thomas Jefferson's mountaintop estate. Next came his pre-inauguration bus trip, retracing the route Jefferson travelled to his own inauguration in 1801. Finally, in his inaugural address, President Clinton invoked Jefferson by name and paid homage to "life, liberty, and the pursuit of happiness" as America's founding ideals.

During last year's campaign, Mr. Clinton fashioned himself as the successor to John F. Kennedy, making much of his decision to enter politics after shaking hands with President Kennedy at the White House. But now that he is in office, President Clinton's role model of choice seems to be Thomas Jefferson, the nation's first Democratic president. Since April 1993 marks Jefferson's 250th birthday, Mr. Clinton may be expected to make further appeals to the author of the Declaration of Independence in the days ahead.

There are, in fact, some intriguing parallels between Thomas Jefferson and William Jefferson Clinton. Both men served as governors of their respective southern states. Both unseated unpopular Yankee-bred presidents who previously had served as vice-presidents. Both survived bruising election campaigns largely dominated by attacks on their personal characters.

### "A Wise and Frugal Government"

If the similarities are striking, however, the differences are more so. Jefferson was an unflinching champion of limited government, low taxes, and federalism. Although Mr. Clinton campaigned as a "new Democrat," he has yet to show enthusiasm in office for any of those causes. Still, there may be a glimmer of hope in President Clinton's desire to compare himself to the sage of Monticello. For if there is one former president from whom Mr. Clinton could learn a great deal, it certainly is Jefferson.

Mr. Clinton might start with Jefferson's appreciation for limited government. Despite the president's symbolic attacks on government waste and his pledges to trim the federal bureaucracy by "attrition," his overarching vision of public life remains startlingly paternalistic. Indeed, in his inaugural address, Mr. Clinton expressly employed the metaphor of child-rearing in articulating his agenda. "We must provide for our nation," he said, "the way a family provides for its children."

Jefferson would have recoiled at such a metaphor. In his own first inaugural address, he explained that the one thing needful for "a happy and a prosperous people" is "a wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned." According to Jefferson, the limited—albeit crucial—function of government is to protect people in the exercise of their natural freedoms to speak and act, confined only by the dictates of the moral law. The best way government can do this is by preserving public order; then government should stay out of the way.

Jefferson was wary about government action because he knew that it is a two-edged sword. While government is supposed to be the defender of unalienable rights, it also can turn into their greatest enemy. The ever-present danger is that government will overreach its legitimate boundaries and usurp the people's freedoms, especially through profligate spending, which will eventually require punitive taxes in order to reduce the national debt.

### Profusion and Servitude

Liberals, who typically praise Jefferson for his views on civil liberties, usually overlook his views on taxes and spending. What they fail to understand is that, in Jefferson's view, frugal government—and low taxes—constitute the most basic preconditions of civil liberty. Citizens cannot be free to criticize the government if they are reduced by heavy taxes to complete dependence upon government largesse. They cannot be free to live their lives in their own way if taxes and confiscatory regulations eliminate the means—that is, the wealth—to carry out their choices.

Consequently, liberty and limited government must

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stand or fall together. As Jefferson wrote to Samuel Kercheval in 1816, the choice is

> [B]etween *economy and liberty*, or *profusion and servitude*. If we run into such debts, as that we must be taxed in our meat and in our drink, in our necessaries and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses; and the sixteenth being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes....

In such a grim situation, continued Jefferson, Americans would "have no time to think, no means of calling the mismanagers to account; but be glad to obtain subsistence by hiring ourselves to rivet their chains on the necks of our fellow-sufferers...."

The "salutary lesson" of all this, concluded Jefferson in the same letter, is

> [T]hat private fortunes are destroyed by public as well as by private extravagance. And this is the tendency of all human governments. A departure from principle in one instance becomes a precedent for a second; that second for a third; and so on, till the bulk of the society is reduced to be mere automatons of misery, and to have no sensibilities left but for sinning and suffering.

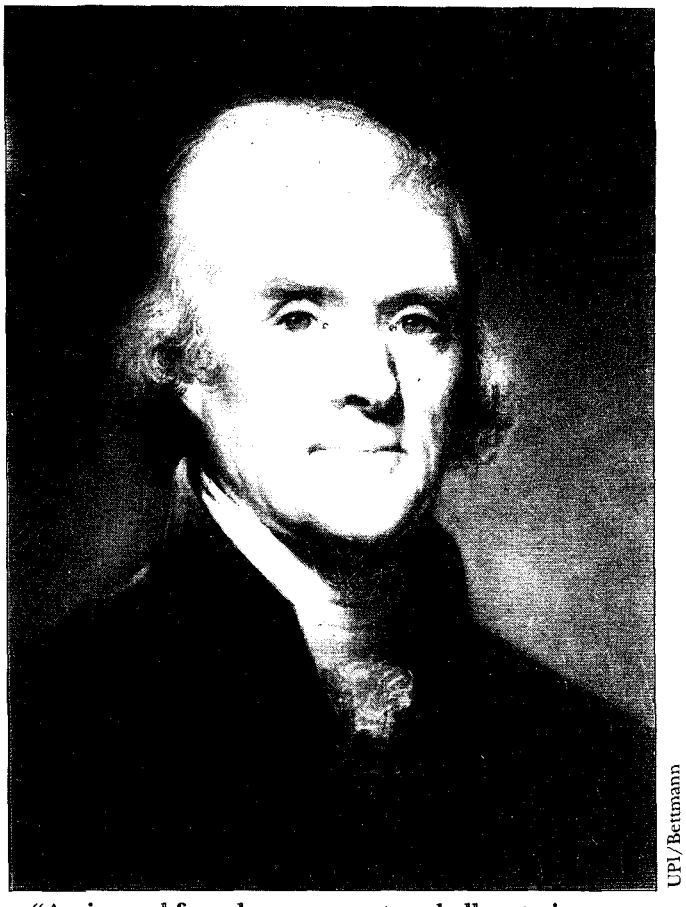
Jefferson's actions as president closely followed his views of government. While he was concerned about the national debt, he recognized that the problem originated with too much spending rather than too few taxes. Accordingly, he promptly slashed government spending upon assuming office. He simultaneously

**On taking office, Jefferson slashed spending and abolished all domestic taxes.**

abolished domestic taxes—all of them—along with the revenue agents who had been hired to collect them. Only federal import tariffs remained.

In his second inaugural address, Jefferson boasted that "it may be the pleasure and pride of an American to ask, what farmer, what mechanic, what laborer, ever sees a tax-gatherer of the United States?" Due in large part to Jefferson's austerity program—which was continued by his successor, James Madison—the national debt was reduced by 42 percent between 1800 and the War of 1812.

Jefferson's view of limited government also contains



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**"A wise and frugal government ... shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits ... and shall not take from the mouth of labor the bread it has earned."**

a warning for those federal politicians who seem, in his words, "at a loss for objects whereon to throw away the supposed fathomless funds of the treasury." While Jefferson acknowledged to a correspondent in 1820 that the people temporarily may join their representatives in "the same phrenzy" for new spending, he thought that the heavy taxes ultimately exacted to pay for the spending would "bring both to their sober senses." And when the people came to their senses, they would throw the spendthrift politicians out. President Clinton would do well to recall Jefferson's warning as he seeks to cut the deficit by mandatory "contributions" from the American people.

### Bemoaning Federal "Usurpations"

A second lesson the 42nd president could learn from the third president is a healthy respect for federalism. Before President Clinton imposes hundreds of new environmental regulations, proposes national health insurance, and signs off on the Freedom of Choice Act, he might pause to ponder Jefferson's view of the appropriate division of power between the federal government and the states. In an 1823 letter to Supreme Court Justice William Johnson, Jefferson wrote: "I believe the States can best govern our home concerns, and the General Government our foreign ones. I wish, therefore, to see maintained that wholesome distribution of powers



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established by the constitution for the limitation of both; and never to see all offices transferred to Washington, where, further withdrawn from the eyes of the people, they may more secretly be bought and sold as at market."

Jefferson firmly believed that local government should be under local control, and he would have been appalled at the tangled web of federal mandates and preemptions

**A true Jefferson would recognize in state-subsidized speech the seeds of despotism.**

of state authority enacted during the past 50 years. Even in his own lifetime, he was distressed at what he viewed as "the rapid strides with which the federal branch of our government is advancing towards the usurpation of all the rights reserved to the States...."

A year before his death, he complained to William Branch Giles that the three federal branches were now crowding in on state prerogatives. "Under the power to regulate commerce, they assume indefinitely that also over agriculture and manufactures," wrote Jefferson. "... [U]nder the authority to establish post roads, they claim that of cutting down mountains for the construction of roads, of digging canals, and aided by a little sophistry on the words 'general welfare,' a right to do, not only the acts to effect that, which are specifically enumerated and permitted, but whatsoever they shall think, or pretend will be for the general welfare."

Here, of course, Jefferson was attacking loose constitutional construction as much as he was defending federalism. While favoring constitutional flexibility in the realm of foreign affairs—defense of the country can be its own law—Jefferson was certain that when it came to the federal government's ordinary domestic powers, the Constitution should be construed in strict accord with the original intent of those who enacted it. As he advised Justice Johnson in 1823:

> On every question of construction, [we should] carry ourselves back to the time when the constitution was adopted, recollect the spirit manifested in the debates, and instead of trying what meaning may be squeezed out of the text, or invented against it, conform to the probable one in which it was passed.

### Judicial "Sappers and Miners"

While Jefferson's views on the specific constitutional questions of his own time are debatable, his warning about the danger of arbitrary constitutional construction remains disconcertingly relevant, and offers a third important lesson for Mr. Clinton. Modern jurisprudence no longer even pretends to find a constitutional basis for most federal programs, preferring to issue the federal government a blank check. This habit is one that any true Jeffersonian should find deeply troubling.

Unfortunately, Mr. Clinton has yet to appear troubled. His declared standard for Supreme Court nominees is adherence to *Roe* v. *Wade*, a decision that even some defenders of legalized abortion acknowledge as a raw exercise in arbitrary judicial interpretation. Without support in either the text or philosophy of the Constitution, the Court in *Roe* not only used the unlimited approach to constitutional interpretation that Jefferson despised, it also made shambles of the principle of federalism that he held dear. Indeed, the decision gave new meaning to Jefferson's 1820 condemnation of the federal judiciary as "the subtle corps of sappers and miners constantly working under ground to undermine the foundations of our confederated fabric." If President Clinton wishes to adopt a Jeffersonian approach to the courts, he would be well-advised to scrap his litmus test of *Roe* v. *Wade* and require that his judicial nominees pledge to uphold the original intent and underlying principles of the Constitution instead.

### A Tyrannical Compulsion

A final lesson President Clinton could learn from Jefferson is how to defend political freedom. Mr. Clinton may need special help on this one, if his early record in office is any indication. Only a few days after being sworn in, he rescinded an order requiring unionized employers to notify workers on federal projects that they are not obliged to subsidize union political activities with their dues. The order had enforced the ruling in *Communications Workers* v. *Beck*, which held that unions could not coerce employees to pay for union political activities out of their assessments.

Although the Supreme Court in *Beck* side-stepped the free speech question, the underlying principle at stake remains the one articulated by Jefferson in the Virginia Statute of Religious Liberty: "[T]o compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors is sinful and tyrannical." President Clinton's action shows just how little he understands the sort of political liberty of which Jefferson spoke. That is unfortunate, given the increasing relevance of the principle. Today many Americans find themselves compelled to support—through government—the propagation of an array of opinions that they find objectionable. Whether it is public schools that promote moral relativism, federal art programs that sponsor attacks on Christianity, or public broadcasting stations that broadcast one-sided documentaries, the government now subsidizes political speech in a wide variety of ways, raising significant free speech questions in the process. A true Jeffersonian would recognize in state-subsidized speech the seeds of despotism.

The good news for President Clinton is that if he really aspires to become a second Jefferson—rather than merely appropriating Jefferson's image—he should have no difficulty knowing what to do. The major features of a Jeffersonian agenda are not difficult to compile: limited government, reinvigorated federalism, respect for the Constitution, and political liberty. The bad news for the president is that such an agenda would not look anything like what he has been proposing so far. ☎


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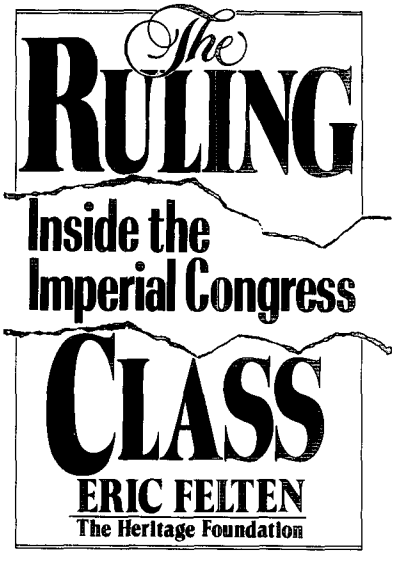


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# Scouts 'n the Hood

## A Compass for Inner-City Boyz

Mark Parenti

It is after dark in Harlem. The streets are thick with tension. Fearful residents are barricaded in their homes, while crack dealers solicit passers-by on every block. Sirens and gunshots pierce the air.

At a local gym, a small gang of black teenagers stops playing basketball as its leader arrives. At his command they gather together, raise their hands in a special sign, and repeat their gang's creed, "On my honor I will do my best to do my duty to God and my country, and to obey the Scout Law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight."

This "gang" is Boy Scout Troop 201, which meets at the Judge Kenneth M. Phipps Police Athletic League in Harlem. Like millions of scouts all across the country, they adhere to the same Scout Law: "A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent."

But to these boys and their parents, scouting is different. Even more than in the rest of the country, it is a way to protect their families from the violence and moral breakdown that surrounds them. "Scouting lets your children see something besides selling drugs," observes Barbara Banks, a parent and volunteer who works with Troop 201. Eddie Fletcher brings his grandson to the troop meetings, saying they have made the boy a new person. Another scout, Earl, has been a member of Troop 201 for a year. He is serious, almost angry looking; he has been kicked out of other troops twice before for fighting. Asked what he likes most about scouting, Earl responds, "The discipline—it helps control my temper—and the camping trips." Through scouting, some of Earl's anger has been channeled into a determination to overcome obstacles. In spite of the problems with his temper, Earl says, "Nothing stops me from scouting. It's fun."

### Urban Eagles

Two-hundred-fifty miles away, in the most dangerous part of Washington, D.C., another group of scouts meets. Sitting in Irene Gardner's Southeast Washington living room, eating Christmas cookies and drinking punch, these 11th- and 12th-grade boys are learning the ropes from former troop members now in college.

Troop 1650 is remarkable in scouting achievement. Since 1988, 10 of its members have reached the rank of Eagle Scout. This is the highest honor in scouting, which less than 3 percent of all scouts attain. The Eagle Scout award requires years of work. A boy must serve as a troop leader, complete numerous merit badges, and carry out a major community service project. To produce 10 Eagle Scouts is an outstanding achievement for any troop. This is no small feat for boys from Southeast Washington, many of whom come from single female-headed households.

At this Christmas meeting, the scouts hear "things they would not get in a seminar," says Scoutmaster David Morris: the lowdown on "girls, drugs, liquor, homework, and the need to study." For three hours they discuss the "benefits of going to a black versus a white college," and "what to look out for, and the racism found in college." This is the kind of information that boys like 16-year-old Darryl Gardner, who wants to be an engineer, are hungry for. The 12 assembled scouts will use this knowledge to help themselves succeed.

For the members and families of Troops 201 and 1650, and other inner-city troops like them, scouting is a part of their fight to save their children and rebuild their communities. Today, the Boy Scouts of America are bringing their programs to inner-city areas across America. Scout leaders are taking many children out of the city for the first time and teaching them how to pitch a tent and cook over an open fire. The Boy Scouts gives these boys—many abandoned by their fathers—their first lessons in self-discipline, loyalty, and personal honor.

### In Baden-Powell's Spirit

In so building character, inner-city Boy Scout troops are following the original spirit of the scouting movement. The Boy Scouts were founded in Britain in 1907 by Lord Robert Baden-Powell, a war hero concerned by the growing numbers of sullen and dispirited young men who were "pale, narrow-chested, hunched-up ... smoking

Mark Parenti, *a former Eagle Scout, lives and writes in Annapolis, Maryland.*



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Meredith Parenti

**Members of Troop 1650 in Washington, D.C. This troop has produced 10 Eagle Scouts since 1988—a remarkable achievement.**

endless cigarettes." Lord Baden-Powell found that the wartime techniques of scouting that he had developed for his troops in the British army were fascinating to boys. He decided to transform the military practice of scouting into an organization that could restore the vigor of British youth and give them "pluck and resourcefulness."

But Lord Baden-Powell wanted to do more than just develop in young men sharp minds and strong bodies—he wanted to give them a sense of duty and a moral compass for life. He told young men, "You will find that the object of becoming an able and efficient Boy Scout is not merely to give you fun and adventure but ... you will be fitting yourself to help your country and to be of service to other people who may be in need of help."

**"Scouting teaches boys to lead without brow-beating."**

Scouting has since become one of the most successful youth movements in history. Since its establishment in 1910 in the United States, more than 85 million youth and adults have participated in the Boy Scouts of America. Today there are over four million Boy Scouts nationwide.

Scouting has had a great impact on American leadership. Presidents John F. Kennedy and Gerald Ford were both scouts. So were some 60 percent of members of Congress, including Eagle Scouts Thad Cochran, Sam Nunn, and Richard Gephardt, as well as Scouts Jesse Helms, Bill Bradley, Newt Gingrich, David Dreier, and Ron Dellums.

And the Boy Scouts have not confined their influence to Washington. Of the 172 astronauts selected since 1959, more than 100 were scouts. Eagle Scout Neil Armstrong was the first scout as well as the first man to set foot on the moon.

### Inner-City Challenges

Now the Boy Scouts are seeking to build future leaders in America's inner cities. This is a challenge in communities where there is not much of a scouting or backwoods tradition and where there are few fathers—or even, sometimes, mothers—to volunteer as scout leaders.

Scouting can also be expensive. Uniforms, camping gear, money for dues, monthly campouts, and summer camp can cost $300 to $400 a year per boy. A new uniform alone can cost $60. This price tag is expensive for most parents, but often prohibitive for many inner-city parents.

Despite these difficulties, scouting can work in the inner cities. In New York City, a program called "Scoutreach" brings scouting to such economically depressed areas as Harlem, Washington Heights, and the Lower East Side. According to Manhattan scout executive Gary Laermer, the inner-city troops use the same scouting methods that are used everywhere, except that, "In the Scoutreach program the delivery mechanism is



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different: We pay college students to work as troop leaders in areas where we can't get volunteers." These college students serve as scoutmasters and plant the seed of scouting in inner-city neighborhoods. The Council, through donations, pays for the boys' handbooks and uniforms, and provides money for campouts. There now are 55 Scoutreach troops in New York City, with a membership of over 2,000 boys.

The goal of Scoutreach is not just to have outsiders provide a scouting experience for inner-city kids; the ultimate goal is to turn over Scoutreach troops from paid leaders to local volunteers. According to Anthony Soriano, district executive of the Manhattan Council, under the best circumstances it takes two to three years to develop a fully functional volunteer troop. Since the program began with two troops in 1989, Scoutreach has turned over six troops to volunteer leadership.

**The Boy Scouts gives these boys—many abandoned by their fathers—their first lessons in self-discipline, loyalty, and personal honor.**

One of these is Harlem's Troop 201. Parent and volunteer Barbara Banks is proud that all the troop's leaders are volunteers: "When you are getting paid in Harlem to do something, that's all you care about—the money, not the kids."

### Teaching Boys to Lead

The patrol method is one way Scouting teaches leadership and responsibility to inner-city youth. Each scout troop is divided into patrols or small groups of eight to 10 boys who elect one of their number to be the patrol leader. These small groups determine troop activities. According to Lord Baden-Powell, "The main object of the patrol system is to give real responsibility to as many boys as possible. It leads each boy to see that he has some individual responsibility for the good of his patrol." By giving responsibility to boys, the patrol method builds in them self-confidence and an understanding of others—in a word, leadership.

Melvin Horne, assistant scoutmaster for Troop 1650 in Southeast Washington, D.C., observes that "For many of the boys this is the first time that they are responsible for something and that they have to get someone else's cooperation." In his original Boy Scout handbook, Lord Baden-Powell wrote, "The patrol leader is responsible for the efficiency and smartness of his patrol. The scouts in his patrol obey his order, not from fear of punishment, as is often the case in military discipline, but because they are a team playing together and backing up their leader for the honor and success of their patrol." According to Assistant Scoutmaster Ernest Gardner, "Scouting teaches boys to lead without brow-beating."

At 17, Tremayne Jackson is the man in charge. As the Senior Patrol Leader of Troop 1650, he is responsible for running his troop of twenty boys. "Being a leader," he says, "requires you to be aware of what everyone is doing and to plan events." Having been a scout for many years, Jackson says, "I have experience enough to know what to do, so it's pretty easy." Mr. Jackson leads a busy life. When not in school, he is either running his troop or preparing applications for college. Jackson wants to be a research diver, and he plans to go to a school where he can get a degree in marine biology. He likes scouting because "it teaches you responsibility and leadership skills you need to know in life."

### Camping

"Scouting," wrote Lord Baden-Powell, "is not a club—nor a Sunday school—but a school of the woods." When you ask scouts what they like most about scouting, almost universally they respond with camping. For boys, scouting *is* camping. Hiking, camping, swimming, canoeing, learning about snakes and lizards—these are the natural activities of 12-year-old boys, not running drugs through trash-filled alleys. For inner-city boys, camping is really something special. For 16-year-old Darryl Gardner of Southeast Washington, "Camping allows you to do something different than everyday life." For many, the outdoors opens up a totally new world, and they revel in it.

Scout leaders like Melvin Horne see camping trips as the time when they can really work to build a boy's character. "Camping," he says, "gives the boys 24 hours to focus on scouting without anything else." For many of them, he adds, "camping is the first time away from home without another relative." When camping, the boys learn not only to depend on themselves because they are not with their mothers or fathers, but they also have to depend on their patrol members to work together to set up tents, collect firewood, and prepare meals. Assistant Scoutmaster Ernest Gardner says that "Boys tend to develop self-confidence in the outdoor environment, which shows them that they can take care of themselves."

### Self-Esteem and Self-Control

The scoutmaster for Harlem's Troop 201 is Preston Lewis, a staff manager for New York Telephone, who got involved with scouting because he wanted to work with young people and be a decision maker. When growing up, he says, "I never wanted to be a Boy Scout. I thought it was nerdy. They didn't have any respect." Now, he believes, "Scouting has great ideas. Our challenge is how

**"For many boys, this is the first time they are responsible for something."**


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David Morris

**Hiking, camping, swimming, canoeing, learning about snakes and lizards—these are the natural activities of 12-year-old boys, not running drugs through trash-filled alleys.**

to make them attractive." One of his goals is to improve the boys' awareness of education. Mr. Lewis maintains that "There is not a strong value placed on education in Harlem." To help the scouts, the troop has arranged for tutoring one hour per week for each boy to help him with his school work. His other major concern is the boys' self-esteem. Mr. Lewis adds, "This is a black concern, particularly in Harlem, where there is a lot of negativity." He has brought in speakers such as businessmen and graduate students to talk to the scouts. "We want to show the scouts that drug dealing and crime are not what happens to every black person in America."

Coming from such rough backgrounds, the boys still find self-control difficult. At a recent meeting the boys were reprimanded for going on a rampage—screaming, running, and fighting—when an assistant scoutmaster who was substituting for Mr. Lewis was late. When asked why they misbehaved, several scouts expressed anger and disappointment that the meeting might be cancelled.

The parents of Troop 201 see themselves in a fight for their children's future. At a recent troop Christmas party, it was easy to see how proud these parents were of their boys as the scouts solemnly repeated the Scout Oath and Law.

Later in the evening, each boy was given a toy by the troop, but they had to make a Christmas wish before the assembled parents and scouts. Some of these boys, as one would expect, wished for things like snow, but others wished unselfconsciously for an end to crack-dealing and killings in their neighborhood. Liz Townes, the troop committee chairman whose grandson is a scout, pronounced, "We have to flex our muscles and grab our children to us."

## Scoring a 10

Not every inner-city Boy Scout troop has needed a program like Scoutreach to be successful. Throughout the country, there are poor urban troops that have run well under their own volunteer leadership for many years. Troop 1650 of Southeast Washington stands out not only as an example of a good inner-city troop, but as an exemplar for scout troops everywhere.

The scope of the troop's activities is impressive. Troop members go on a weekend campout and day-trip hiking or swimming each month. In addition, the troop plays basketball against local high schools, goes white-water canoeing, and takes long bike trips. This is a level of activity not found in many suburban troops. What's more, all of these activities and their weekly meetings are planned and run by the boys. The adult leaders tend to stay in the background and provide support when needed and help with logistics.

The troop is supported by St. Timothy's Episcopal Church, which provides a meeting place and money for expenses. The church does this even though few of the scouts are members of the church. Church member Robert James, the liaison between the troop and St. Timothy's, says the scout troop is part of the church's



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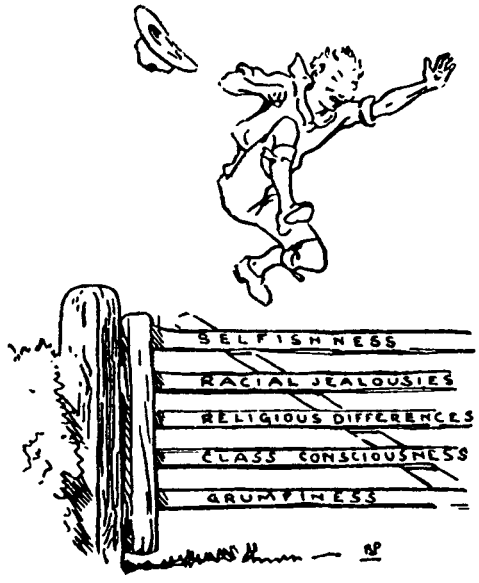


Boy Scouts of America, from a drawing by Lord R. Baden-Powell

**Lord Baden-Powell founded the Boy Scouts to restore the vigor of British youth and give them "pluck and resourcefulness."**

outreach ministry. Mr. James says "There is more to saving souls than having people come to Sunday school."

On January 10, 1993, St. Timothy's sanctuary was the site of an important occasion for 15-year-old Damon Morris and Troop 1650—Damon's Eagle Court of Honor, the 10th such ceremony in the troop's history. Since it is so rare for an inner-city scout to become an Eagle Scout, two other local troops brought their scouts to witness the event and be inspired by it. Most of the troop's parents were there, as well as Damon's teachers from school and representatives from the National Capital Area Council of the Boy Scouts of America. The pastor of his church, the Pennsylvania Avenue Baptist Church, also attended. Damon had performed his Eagle Scout service project at his church, where he had refurbished its main meeting room. He spent two months planning, leading, and working with seven other scouts, painting and repairing cracks in the walls of the room. Most of the troop's nine other Eagle Scouts were also there, back from college during Christmas break.

While the main purpose of ceremony was to honor Damon Morris for his hard work and personal achievement, it also served as a public initiation into an elite brotherhood. In a moving part of the court of honor, the "Eagle Scout Challenge," Damon was told by a grown man and fellow Eagle Scout, Stanley Scofield, that "The final responsibility of an Eagle Scout is service.... The Eagle stands as protector of the weak and helpless. He aids and comforts the unfortunate and the oppressed. He upholds the rights of others while defending his own." Throughout the ceremony, Damon stood proudly at attention, a little overwhelmed at being at the center of attention for all those present.

Troop 1650 is proof that parents and community groups can not only keep black teenage boys off of drugs and out of jail, but that they can help them achieve high aspirations and build noble characters. As Irene Gardner of Troop 1650 says, "Don't tell me about black males as an endangered species. We have some good guys here." The Boy Scouts are helping those good guys develop into fine young men.


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# *The Violence of Gun Control*

## Reprints Available

Dave Kopel's highly acclaimed article, "The Violence of Gun Control," from Policy Review's Winter 1993 issue has ignited a firestorm of debate in America about the efficacy and wisdom of gun control laws. Kopel's article is now available in a three-color, high-gloss reprint.

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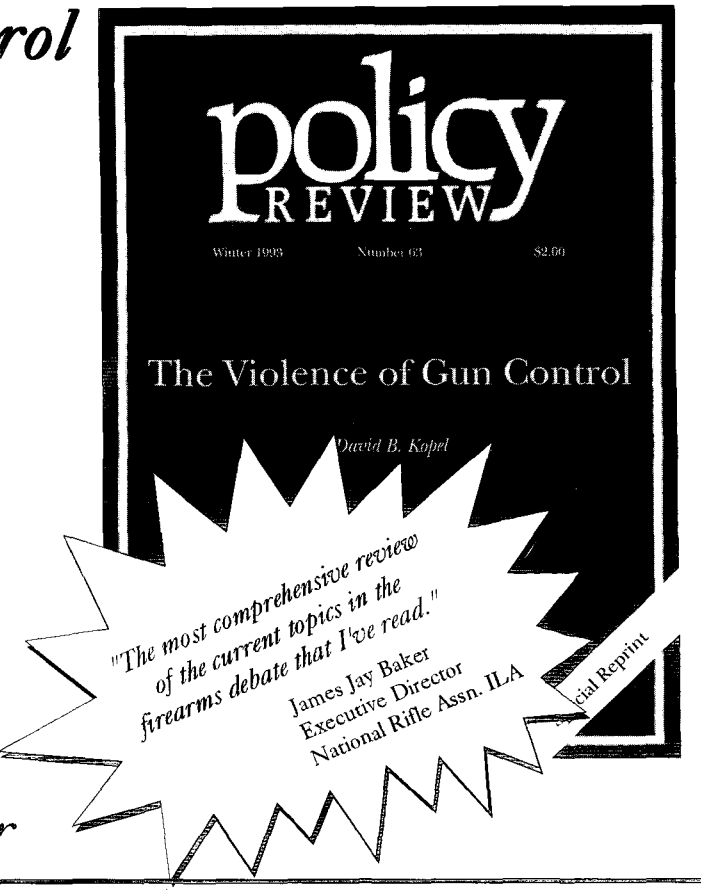
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# Make War, Not Love

## The Pentagon's Gay Ban Is Wise and Just

John Luddy

The uproar over President Clinton's plan to end the Pentagon's policy banning open homosexuals from the military has subsided—for now. Both sides are braced for the next phase in the battle, to begin this spring with hearings before Senator Sam Nunn's Senate Armed Services Committee. The intensity of this debate should surprise no one, for few things get Americans so riled up as thinking about sex and talking about rights. It is unfortunate, however, that the controversy has focused more on the presumed rights of homosexuals than on the principles that are fundamental to a strong military.

The Pentagon's policy toward homosexuals is both wise and just. It is wise because it accounts for real people functioning in the real world, and recognizes that despite their best intentions, heterosexuals and homosexuals are above all human. It is just because it can be defended without recourse to any criticism of homosexuality on moral grounds; indeed, the only moral basis for the ban is the assertion that preventing unnecessary loss of life is more important than sexuality of any variety.

Those who would lift the ban have tried to dismiss the ensuing public outcry as a moral crusade orchestrated by the religious Right. But this underestimates the public's genuine concern. Senator Sam Nunn and Joint Chiefs of Staff Chairman Colin Powell are hardly right-wing fanatics. Nor are most other Americans, who view this as more than a discrimination issue; they may not condone hatred or intolerance toward homosexuals, but they see how sexuality in the ranks could endanger men in uniform.

The ban against homosexuals in the military is neither judgmental nor ideological. It is based on the recognition that military life cannot provide for different individual lifestyles, and that distractions in combat, sexual or otherwise, get people killed.

### The Marine Corps Is Not Burger King

The primary objective of the armed forces is to win battles with as few casualties as possible. For the president or any other leader to permit anything that detracts from this objective to influence military policy and training constitutes gross negligence and is truly immoral. While the military has been better at providing equal opportunity to women and minorities than any other part of society, this has until now been a fortuitous side benefit, not an objective or an obligation.

Combat is a team endeavor. To win in combat, individuals must be trained to subjugate their individual instinct for self-preservation to the needs of their unit. Since most people are not naturally inclined to do this, military training must break down an individual and recast him as part of a team. This is why recruits give up their first names, and why they look, act, dress, and train alike. To paraphrase an old drill instructor, the Marine Corps is not Burger King—you can't have it your way.

The purpose of this training, which is continually reinforced throughout the military culture, is to build unit cohesion. Unit cohesion—on an athletic team, in a family, in a marriage, and on the battlefield—hinges on trust. Military leaders gain the trust of their subordinates by demonstrating such attributes as character, courage, sound judgment, respect, and loyalty. Soldiers trust each other because of their shared values, objectives, training, and other experiences. To risk one's life willingly demands a degree of trust in one's comrades and one's commanders not found in any other environment on earth. Although such demands occasionally may be made of firefighters or police, soldiers fight in wars, where such demands are routine.

It is difficult to foresee a time when homosexuals and heterosexuals no longer see each other as different in a fundamental way. With the slightest introspection, the reasonable person quickly realizes that bonds of trust will be difficult to create between men if there is sexuality beneath the surface. The thought that your comrade might have sexual feelings for you—even if he is suppressing those feelings—will make such trust impossible. The slightest inkling that a commander is influenced by his sexuality—even to the extent that he must resist that influence—will destroy his effectiveness as a leader. Soldiers must trust each other, and their commanders, if they are to risk their lives in causes our nation deems appropriate. When trust is absent among civilians,

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Reuters/Bettmann

**Soldiers trust each other because of their shared values, objectives, training and other experiences.**

society, although demeaned, still survives. But breaking trust within the military will cause our soldiers to die, our battles to be lost, and our interests to be threatened.

### No Right to Serve

Access to the military is not a right enjoyed by all Americans. It is not guaranteed in the Constitution or anywhere else. Indeed, to build effective units, the armed forces routinely deny the privilege of military service to patriotic Americans who are too tall, too short, too fat, color blind, flat-footed, and mentally or physically handicapped in any way. Single parents are not allowed to enlist, nor are chronic bedwetters. This is not a judgment of the inherent worth of these people as human beings; indeed, each of these individuals properly enjoys numerous civil rights. It is simply a determination that they are not suited for military service.

In a recent decision in California, U.S. District Court Judge Terry Hatter ordered the Navy to reinstate an openly gay petty officer because, in his opinion, the Pentagon's policy on homosexuals is based merely on "cultural myths and false stereotypes." This language attempts to join the gay rights movement to the civil rights movement, and strikes a responsive chord among Americans who believe in civil rights and have yet to shake the burden of collective guilt over past injustices visited upon various racial and ethnic minorities. But logically, neither this language nor the linkage behind it make sense.

Skin color and sexual orientation are different. It is no irony that black Americans have strongly rejected attempts by homosexuals to cloak themselves in the civil rights movement. No clearer statement of this view can be found than General Colin Powell's response to a letter from Representative Pat Schroeder of Colorado. To Ms. Schroeder's patronizing assertion that "I am sure you are aware that your reasoning would have kept you from the mess hall a few decades ago, all in the name of good order and discipline and regardless of your dedication and conduct," General Powell responded:

**Sexual distractions within combat units undermine their cohesion and can lead to death.**

> I am well aware of the attempts to draw parallels between this position and positions used years ago to deny opportunities to African-Americans.... I can assure you I need no reminders concerning the history of African-Americans in the defense of their nation and the tribulations they faced. I am part of that history.



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**General Colin Powell, Chairman of the Joint Chiefs of Staff, disputed the comparison of sexual preference to racial equality.**

> Skin color is a benign, non-behavioral characteristic. Sexual orientation is perhaps the most profound of human behavioral characteristics. Comparison of the two is a convenient but invalid argument. I believe the privacy rights of all Americans in uniform have to be considered, especially since those rights are often infringed upon by the conditions of military service.
>
> As Chairman of the Joint Chiefs of Staff, as well as an African-American fully conversant with history, I believe the policy we have adopted is consistent with the necessary standards of good order and discipline required in the armed forces.

A lot of interesting things occur in bedrooms all across America. If minorities begin to be defined based on sexual behavior, there will soon be some fascinating civil rights cases. If the concept of "civil rights" is to continue to mean anything, it cannot be extended to various groups of people based on how they seek sexual pleasure. As for the president's assertion that in the absence of untoward behavior it is wrong to discriminate based on status alone, one notes that society discriminates on precisely this basis all the time. My behavior in a women's locker room might be above reproach, but I am still not allowed to enter one, simply because of my status as a male. Perhaps—to apply General Powell's standards to a civilian situation—my mere status might be a threat to good order and discipline.

Consider Judge Hatter's reference to "cultural myths and false stereotypes." It is true that to accept racial integration of the armed forces, whites had to overcome what were truly false stereotypes and cultural myths. In the case of homosexuals, heterosexuals may likewise learn that homosexuals are not compulsive perverts, weaker or less masculine, or a physical threat of any kind. These are myths and stereotypes. But it is neither a myth nor a stereotype that homosexual men have sex with other men. It is this specific behavior to which people react.

### Attraction, Jealousy, Hurt, Shame

What would be the effect of mixing homosexuals and heterosexuals in combat? Begin by making two assumptions: first, that homosexuality is viewed as entirely normal, natural, and otherwise acceptable throughout the population; and second, that the order has been given to admit open homosexuals, and that every military person attempts to execute it in good faith. Even under these highly unlikely conditions, the presence of homosexuals in a military unit would still be an invitation for disaster.

Military leaders are responsible for the training, morale, and physical well-being of each member of their unit. They must first mold a group of individuals into a cohesive team, and then lead them into battle. To their men, they must appear capable, physically and mentally tough, brave, and above all fair. Their typical responsibilities include, but are not limited to: planning a mission; navigating and otherwise controlling the movement of their troops; maintaining communication with their commander; directing aircraft and artillery fire to support their attack; arranging for resupply of food and ammunition; coordinating with other ground units; and seeing that casualties are treated and evacuated if necessary. They often do all of this in darkness, miserable weather, or both, and always with an enemy trying to kill them. They must continually make decisions that may cost one man's life and spare another's, such as choosing

**The slightest inkling that a commander is influenced by his sexuality ... will destroy his effectiveness as a leader.**

who is assigned a dangerous mission, and which of the wounded is treated and evacuated first. Should they be asked to contend with human sexual emotions as well?

One hopes that most people have enough common sense and experience to know that human sexuality is enormously complex. Even in the most civilized society, sexuality is never far from the surface. It can inspire attraction or revulsion, intimacy or objectification, trust or fear, jealousy, hurt, or shame. Any of these emotions


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can be enormously distracting and disruptive. Civilian employers recognize this and enact various policies that proscribe fraternization in the workplace. Still, as any woman—and some men—will attest, these rules are broken every day. Yet while the highest price a civilian will pay for sexual distractions will be some form of degradation, or the loss of a job, reputation, or career, distractions in the military cause people to suffer physical mutilation and often death. If this sounds extreme, consider the following:

A heterosexual lieutenant must order one of his squads to attack a machine gun position that has taken his platoon under fire. Two squads are in position to attack; one is led by a homosexual sergeant. The lieutenant must decide; if he sends the homosexual sergeant, and the sergeant is killed, will the platoon's other homosexual troops think that the lieutenant sent the sergeant because he dislikes homosexuals? Will they trust him with their lives in the future? If the lieutenant were homosexual, and found himself attracted to the sergeant—he is, of course, only human—would he spare that sergeant from dangerous missions and send the other squad instead? What would be the effect on the platoon's morale if he were even perceived as doing so? Above all, would weighing these issues cause him to hesitate while the lives of his men hang in the balance?

If every decision is made, and reacted to, with even the slightest chance that sexual attraction or revulsion played a part in it, how could those decisions be trusted? If a man does not trust his leaders or those around him, will he willingly put his life in their hands?

### The Stakes Are Life and Death

In this scenario, no heterosexual is an irrational bigot, no homosexual is either compulsive or perverse, and no sexual advance or contact takes place; in short, no stereotypes are present. The reader will realize that, were the proportion of homosexuals and heterosexuals in society reversed, this argument rightly would be used to ban heterosexuals from the armed forces. The clearest and strongest reason for the ban is to remove the influence of sexuality—not heterosexuality, not homosexuality, just sexuality, period—from an environment where the stakes are literally life and death. ☎


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# Government Can't Buy You Love

## The Best Children's Program Is to Put Parents First

**Wade F. Horn**

I remember the precise moment when I knew George Bush would not be re-elected. It was June of 1991. After two years of intense deliberations, the National Commission on Children was about to release its final report. As the ranking member of the Bush administration appointed to the commission, I was called to give a briefing to a senior official at the Office of Management and Budget on the likely contents of the commission's final report.

Although I didn't agree with everything contained in the final report, the document was remarkable in that a small band of conservatives had managed to persuade a much larger group of liberal members—most appointed by the Democratic leadership in the Congress—to produce a report almost completely devoid of recommendations for major expansions of social programs. Instead, against all predictions, the commission's final report strongly endorsed the two-parent family as the best environment in which to raise children, issued a call for greater responsibility and self-restraint on the part of the mass media in the messages and values transmitted to children, championed tax relief for families, and even promoted school choice.

Already picturing myself as the new under secretary at some distinguished cabinet agency, I decided to lead off the discussion with our most impressive achievement: the endorsement of tax relief for families based on the premise that what families need most is not more money in the federal budget, but more money in the family budget. I was no more than 30 seconds into my description of the tax credit proposal when I was interrupted abruptly by a string of expletives, that ended with the declaration, "What kind of idiot would want to do *that*?"

It was then that I first whispered to myself, "These guys just don't get it."

### Liberalism's Materialist Fallacy

Children's issues are funny things. Politicians love children, and often talk about them. But when asked to translate their rhetoric into meaningful public policy, the same politicians quickly change the subject, or proceed to trot out largely symbolic initiatives, or naively demand increased funding for often unproven, and sometimes even harmful, social programs.

This tendency was a major shortcoming of the Bush administration. Without a clearly articulated set of principles to guide child and family policy, we often behaved as if we believed the same thing that many liberals do: that government can solve all problems if it spends enough money on social programs. In fact, the Bush administration oversaw a 66-percent increase in funding for children's programs, including unprecedented expansions for Head Start, the Women, Infant and Children's Food Supplement (WIC) program, childhood immunization programs, and Medicaid. Overall, we increased spending on children's programs from approximately $60 billion in fiscal year 1989 to over $100 billion in fiscal year 1993.

But in doing so, we inadvertently embraced what I call the social spending agenda for children, an agenda that views childhood as largely the result of how much government spends on social programs for children. From this perspective, the more money we spend on—or "invest in"—social programs for children and families, the more childhoods we ensure; the measure of how committed you are to children becomes how many tax dollars you are willing to spend on children's programs. If you are willing to spend $8 billion of the taxpayer money on Head Start and I am only willing to spend $4 billion, then under the social spending agenda you are twice as committed to children as I am.

The federal government largely has operated under such a social spending children's agenda for the past three decades. Spending by the federal government on social programs for children and families has increased dramatically since 1960, far outpacing the rate of inflation. Yet, despite this extraordinary growth in the federal spending, by almost all indicators more children today are at risk for poor developmental outcomes than were at risk three decades ago. Why?

The social spending agenda on which these policies

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Photofest

**"The family is and should remain society's primary institution for bringing children into the world and for supporting their growth and development throughout childhood."**

are based overlooks the crucial role of fathers and mothers. It is not the amount of money that government, or even parents, invest in children that produces happy, healthy, and secure childhoods, but rather how much time and energy parents invest in their children. No government program, no social worker, and no economic transfer policy has ever provided a child with a happy childhood—parents do. The more time and energy that parents invest in their children, the more childhoods are ensured.

### Crazy About That Kid

This is more than simply a rhetorical debate. Government can't buy you love. What a child really needs in order to grow up feeling loved and secure is not access to government social programs, but the knowledge that there are people in this world who care enough about him or her that they will put his or her interests above their own. As the noted child psychologist Urie Bronfenbrenner has written:

> In order to develop—intellectually, emotionally, socially, and morally—a child requires participation in progressively more complex reciprocal activity, on a regular basis over an extended period in the child's life, with one or more persons with whom the child develops a strong, mutual, irrational emotional attachment and who is committed to the child's well-being and development, preferably for life.

Or, as Mr. Bronfenbrenner more colloquially put it, what is really needed to ensure a happy, healthy and secure childhood is "someone who is crazy about that kid."

Now, who is most likely to have such an irrational emotional attachment to a child? The obvious answer is a parent—not a teacher, or a child care provider, or a social worker. This is not to denigrate the important work done by teachers or paid care givers, but rather to acknowledge an important reality: only parents can reasonably be expected to put the interests of their children above their own—to be "crazy about that kid."

For many years, I was a practicing child clinical psychologist. During that time, I treated many clients and was relatively successful. I like to believe that my clients saw me as a caring and committed professional. But I would not have voluntarily died for even one of my patients. In contrast, I would, literally and without hesitation, die for my children. And so would most parents.

It is this irrational commitment to the welfare of a child that children need most in order to grow up healthy, happy and secure. They need to know that when they go to sleep at night, someone is there to protect them from danger; that if the house catches on fire, or burglars break into the home, or the monsters come out from under the bed, someone is there who will risk his own life to save them. That is what parents are for.

This does not mean that all parents will always put the interests of their children above their own. Indeed, some parents, especially those under the influence of



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powerful drugs like crack cocaine or alcohol, will even abuse their children. But just because some parents, some time, ignore or mistreat their children does not mean that the federal government should act as if parents are likely to do so. Rather, government should always assume it is parents, and not politicians or bureaucrats, who are in the best position to make decisions about the welfare of their children.

### Teachers Come and Go

To grow and prosper, children also need long-term, consistent, reciprocal interactions with at least one reliable and nurturing adult. Children need to know that day in, day out, someone will be there for them, in both good times and bad.

Once again, it is parents who can most reasonably be expected to provide this long-term, reliable, and nurturing relationship. Indeed, research on so-called "invulnerable children," children who grow up to be productive and well-adjusted adults despite having lived in dismal poverty while young, has found that during childhood these children knew one adult, most often a parent or a close relative, who provided them with such a long-term, caring relationship. Teachers come and go, social workers come and go, and certainly presidents come and go; but parents and families are forever.

The bipartisan National Commission on Children understood this preeminent importance of parents and family when it wrote in its final report:

> The family is and should remain society's primary institution for bringing children into the world and for supporting their growth and development throughout childhood.... Parents are the world's greatest experts on their own children. They are their children's first and most important caregivers, teachers, and providers. Parents are irreplaceable, and they should be respected and applauded by all parts of society for the work they do.

There is reason to hope that the Clinton administration understands this as well. Most notably, the Progressive Policy Institute, an important intellectual force behind Bill Clinton's early vision for the presidency, has written:

> Given all the money in the world, government programs will not be able to instill self-esteem, good study habits, advanced language skills, or sound moral values in children as effectively as strong families.... in the end, government cannot replace the family, nor should it try.

Indeed, during his acceptance speech at the Democratic National Convention, candidate Bill Clinton stated, "Governments do not raise children—parents do."

The challenge for public policy is to take President Clinton's rhetoric seriously. What does it really mean to say it is parents who raise children, and not governments?

First and foremost, any substantive public policy agenda for children should ensure that parents have maximum authority and autonomy when it comes to raising their children. Except in cases of gross abuse, government must assume that it is parents, and not bureaucrats or politicians, who are in the best position to make decisions about their children's welfare.

One of the most important arenas where such an assumption is needed is in education. Parents are the primary and most important teachers for their children. It is, after all, from their parents that children learn their most important lessons; lessons about values, character, and standards for behavior. Yet, over the past several decades, vast sums of money have been spent on a public education system that has often distanced itself from the needs and desires of parents.

### No Response to Parents

An extraordinary example of just how distant some school systems have grown from the desires of parents is the controversy in the New York City schools regarding the choice of two books for inclusion in the first grade curriculum. Here, the Chancellor of the New York City school system, despite the protestations of many, mostly minority parents, mandated the use of a first grade curriculum that included two books, *Heather Has Two Mommies*, depicting a lesbian couple raising a child, and *Dad's Roommate*, a story about a father's homosexual lover. When, due to parental concerns that instruction in sexual morality for six-year-olds should be left to parents, a community school board in Queens declined to go along with the distribution of these books, the chancellor tried to remove its members from office. Eventually, the public outcry was so overwhelming that the chancellor was forced from office. The point here is not to debate the morality of homosexuality, but to illustrate just how unresponsive some school administrators have become even to the expressed desires of parents.

Another example is the "values clarification" classes in many public schools. In such classes children are taught that there are no absolute rights or wrongs, and that all beliefs are acceptable if you can defend them. An exercise in a values clarification class might ask 13- and 14-year-olds to list six reasons why sexual intercourse is good for teenagers, and six reasons why sexual intercourse is bad for teenagers, without ever stating that 13- and 14-year-olds should not be engaging in sexual intercourse. Never mind that many parents desire to teach their children that there are moral absolutes, that there is such a thing as right and wrong; many public schools have decided to teach moral relativism in the schools. In doing so, schools risk inculcating children with values and beliefs that are in direct contrast with those that parents are trying to teach them at home.

**I would literally and without hesitation die for my children.**

One way to give parents more respect and respon-


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sibility in education is to give them vouchers that let them choose which school their children will attend. In order to survive financially, schools would have to compete for students. To win this competition and successfully recruit students, schools would have to respond to the needs and desires of parents. And if a school later became distant or unresponsive, parents could simply send their child elsewhere.

### A Crucial Test for Clinton

Another area where public policy should respect and encourage parental decision making is child care. Most of the early legislative proposals for expanding child-care subsidies for low-income families envisioned a network of federally funded child-care centers providing free or low-cost child care to low-income families. Under these early proposals, the government would decide where the children of low-income parents would be enrolled for child care. But such a vision reflects the illusion that bureaucrats know better than parents when it comes to the welfare of their children.

A better plan is to provide low-income parents with vouchers so that they can choose their own child-care provider, whether a child-care center, a family day-care home, a religious institution, or even a relative. In fact, this is precisely what the Bush administration and the more conservative members of Congress were able to insert into the new $850 million a year Child Care Development Block Grant program. If President Clinton seriously believes that parents, and not governments, raise children, his administration will maintain the same commitment to vouchers in its executive oversight of this federal child care program.

### Parents vs. Children's Rights

One must be careful not to confuse respect for parental autonomy and decision-making with empowering children, and especially with the so-called children's rights movement. Early in the 1992 presidential campaign, much attention was focused on Hillary Clinton's writings in the 1970s about children's rights. Much of the early criticism of her writings exaggerated her positions; some critics even suggested that children would be encouraged to bring suit against their parents if they did not want to take out the garbage. This, and the resulting defense of Mrs. Clinton's views by the popular press, quickly obscured what is a very important debate: When should children's concerns outweigh those of their parents?

Many advocates of children's rights would have us believe that they are only referring to situations where a child is in danger of irreparable harm if the parent's wishes are followed. But there are already many laws that protect children in these situations. For example, the Child Abuse Prevention and Treatment Act of 1974 requires states to intervene in cases where a child is in imminent danger of either physical or psychological harm at the hands of his or her parents. And to ensure that children are afforded protection in these circumstances, most professionals who regularly come in contact with children are mandated to report even the suspicion that a child is being abused or neglected by his or her parents.

Folio

**What families need most is not more money in the federal budget, but more money in the family budget.**

In truth, children's rights' advocates intend to go much further than merely situations where a child is in imminent danger of harm. For example, children's rights advocates contend that the desires of children should override those of their parents in cases where a minor is judged to be "mature" and wishes to obtain contraceptives or have an abortion. Indeed, the state of Maryland recently passed an abortion law that specifically allows the physician performing the abortion to exempt the child from parental notification requirements if the child is determined to be mature enough to make the decision on her own.

And attempts to erode the autonomy and authority of parents do not stop at such major life decisions as whether or not to become sexually active or to have an abortion. Incredibly, under Maryland state law, if a child has his or her own library card, library staff are prohibited from divulging to parents information about their child's borrowing record, even though the parents are financially responsible for any lost books or overdue fines. The message the state of Maryland is sending to parents is clear: we the state, and not you the parent, are in the best position to determine what books your child can read. We will monitor what books your child takes out of the library; indeed, we will protect your child from any antiquated notions you might have as a parent about what books your child can read.

This is the danger of the children's rights' movement. If left unchecked, there will be a gradual erosion of parental authority over children as the number of issues grows in which a child's desires outweigh parental wishes. As oversight for the behavior of children passes to the state, parents may grow increasingly disconnected from their children, and take their parental responsibilities less seriously.

After affirming the central importance of parents in bringing up children, government policy must strive to find ways to help parents spend more time being parents. Unfortunately, over the past several decades, government policies have been doing the opposite. Because of a blind adherence to the social spending agenda, the tax burden on families with children has increased dramatically. In 1948, the typical family of four paid only 2



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percent of its income to the federal government in taxes. Today it pays 24 percent, with an additional 8 to 10 percent of a family's income going toward state and local taxes. This dramatic increase in the tax burden on families with children has resulted in parents working longer hours just to stay even financially.

### Exemptions and Tax Credits

What public policy must do is to begin to reverse this decades-long increase in the tax burden on families so that parents can spend less time working outside the home, and spend more time investing their time and energy in their children. The best way to do this is to increase the personal exemption for children.

In 1948, the personal exemption shielded about 80 percent of the income of a typical family of four from taxes. Over the years, the value of the personal exemption has been so eroded by inflation that today it shields far less of a family's income from taxes. Indeed, in order to shield an amount of a family's income from taxation equal to 1948 levels, the personal exemption for children would have to be raised from the current level of $2,300 to about $8,200 per dependent child—which is precisely what should be done.

For families too poor to be helped by an increase in the personal exemption, an effective vehicle for accomplishing the same goal is the Earned Income Tax Credit (EITC). The EITC is essentially a wage supplement for individuals who work outside the home, but who do not have a sufficient tax burden to benefit from an increase in the personal exemption for children.

**Bill Clinton says, "Governments do not raise children—parents do." The challenge for public policy is to take this rhetoric seriously.**

Increasing the EITC for poor families, as President Clinton called for in his State of the Union Address, would have the same result as increasing the personal exemption for more well-to-do families; more money would be available to low-income families to use as they see fit for the benefit of their children. Besides giving families more time together, Washington would be sending the important message that the government understands that parents know best when it comes to the welfare of their children, and that government trusts them to decide how to spend their own resources.

Acknowledging that parents are the most important ingredient in securing happy, healthy and secure children, is not to deny that there is a role for government programs in supporting parents. Indeed, there are times when parents can be assisted, sometimes substantially, by social support programs. But in doing so, such programs should always emphasize parental responsibility, respect the integrity of the family, and maximize parental choice.

### Keeping Head Start Family-Friendly

One successful government program with these characteristics is Head Start. A comprehensive child-development program for low-income children, Head Start has always emphasized that children live within the context of a family, and that parents are the primary educators of their children. Such a philosophy has led Head Start to require each participating program to install a Parent Policy Council, which in turn provides direct oversight of preschool program activities and approves all staffing decisions. Indeed, if the administrators of the Head Start grant become disconnected from the interests of parents, the Parent Policy Council can require the federal government to find new administrators to run the Head Start program. In addition, all parents with children enrolled in Head Start are actively recruited to participate in the program, resulting in the startling fact that nearly 40 percent of all paid staff in Head Start are parents of current or formerly enrolled children.

But even with Head Start there is danger lurking for parents. There are many in Congress who now advocate making Head Start a full-day, full-year program, under the premise that many of the children enrolled in Head Start have parents who work full-time outside the home. Certainly where both parents, or in the case of single-parent households the sole parent, are employed full-time outside the home, the Head Start program should be able to provide full-day, full-year care; these children can't simply be sent home from Head Start to an empty house.

But according to the Head Start Bureau in the U.S. Department of Health and Human Services, fewer than half of all children enrolled in Head Start live in homes where the parents are employed full-time. In cases where there is a parent in the home, preschoolers should be spending much of their time at home with their parents, learning from them and being nurtured by them, rather than in a full-day, full-year Head Start program. Indeed, should Head Start become a full-day, full-year program for all Head Start enrollees, it would become yet another social program that, albeit inadvertently, is taking children away from parents rather than supporting them.

### Reforms in the Workplace

If our society is truly serious about helping families spend more time being families, the private sector must recognize its role as well. For far too long, businesses have operated as if employees with children were at best a nuisance, and at worst a liability. Business must come to understand that the future work force is nurtured and shaped primarily by parents, and therefore it is in business's long-term interest to support employees in their role as parents. After all, it is from parents that children learn such behaviors as perseverance, hard-work, responsibility, and honesty—all attributes of a good employee.

The federal government can help business recognize



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**From courts to doctors' offices to public libraries, laws encourage outsiders to make decisions that ought to be made by parents.**

its role in supporting parents by encouraging employers to develop family-friendly work policies, such as career sequencing, home-based work stations, job sharing, flexible work schedules, part-time employment, and family and medical leave, so that parents can find more time to be with their children. Businesses should also be encouraged to develop a family-resources office where employees can gain information on child development and parenting; receive information on family community support services; and negotiate family-friendly employment arrangements.

However, in an effort to encourage family-friendly work environments, Washington should be careful not to embrace a "one size fits all" solution. A case in point is the recent passage of the Family and Medical Leave Act. Although the goals of this legislation are certainly laudable, in reality the Act is a largely symbolic measure that will provide very little benefit to most families with children. Only very affluent families can afford to have a parent take 12 weeks of unpaid leave. Rather than assuming that it can mandate family policies for business, government should encourage employers, both through the "bully pulpit" and through example, to negotiate with their employees to determine what practices best suit employees' needs. Government mandates, in contrast, reinforce the view that "government knows best," and reduce flexibility in the marketplace for developing a wide range of family-friendly work options.

### Investment by Parents

Success for conservatives in the debate on children's issues will hinge on our conviction that it is not government programs that "pay" for childhoods, but rather it is parents who "pay" for childhoods—through investing their time and attention in raising their children. Government's primary role in child-rearing should be to help parents find the time and resources to do precisely that. If we fail in this, we will have lost the debate, and lost the chance to put a conservative stamp on the nation's social policies toward children. And we will forever be calculating the cost of childhoods denied.☎



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# Open Sashimi

## The Case for Free Trade with Japan

**David Dreier**

The time is ripe for constructive engagement between the United States and Japan. Forty years of antagonistic trade relations have failed to resolve our differences, which now threaten to erupt into a full-scale trade war Trade deficits, "dumping", charges of unfair competition, and our own sluggish economy have many in Congress ready to clamp down on Japan with harsh, punitive trade measures.

In 1992 the House passed a number of anti-Japan bills, including the so-called Trade Expansion Act, which would mandate punitive measures against "unfair" trading countries and single out rice and auto parts for such action. In addition, the House passed the Miscellaneous Tariffs Act, which would arbitrarily increase the tariff on Japanese minivans from 2.5 percent to 25 percent, despite the fact that U.S. manufacturers command over 88 percent of the U.S. minivan market. Fortunately, the threat of presidential vetoes stalled Senate action. But now that President Clinton is settled into the White House, it is likely that the House and Senate will take these measures up again this year.

Meanwhile, Japan has just announced its highest-ever trade surplus with the United States—$44 billion in 1992. Even though this surplus rose because of a slowdown in Japan's own economy, the announcement is sure to fan protectionist flames in the U.S. Congress.

Instead of hiding behind the high walls of protectionism and fear, we should focus on lowering Japan's trade barriers so that American companies can compete more freely. The best way to achieve this objective is to negotiate a comprehensive free-trade agreement with Japan.

### NAFTA's New Ball Game

This idea is not new. In 1987, then-U.S. Ambassador to Japan Mike Mansfield called for a free-trade agreement with Japan, suggesting that "The U.S. should switch from approaches which politicize trade issues, exacerbate friction, raise emotional stakes, erode public support here for American objectives, and risk undermining both countries' commitment to the alliance." The *New York Times* called his proposal "an idea searching for its time to come." Critics, however, said that the Japanese had no reason to cooperate, and would agree to trade liberalization only in principle, not in practice.

Global trade dynamics will change dramatically, however, if Congress approves the North American Free Trade Agreement (NAFTA). With the advent of regional trading blocs like NAFTA and the European Community, the Japanese are worried that they will be edged out of world markets. NAFTA would not only make U.S. products more competitive, it would also exclude many Japanese products with tough rules of origin and other agreements that favor products from North America. To preserve its access to its most important export market, Japan would have a strong incentive to negotiate a comprehensive trade agreement with the United States and to implement it in good faith.

### Benefits to U.S. Exporters

American industries also have strong incentives to support a free-trade agreement with Japan. Many American industries stand to make significant gains from increased market access in Japan. Agriculture, textile, lumber, paper, printing and publishing, coal, transportation, and telecommunications industries, among others, would benefit greatly by lifting the artificial barriers that block their entry into the Japanese market.

For example, Japan is already the largest export market for U.S. agricultural and forest products, with combined sales of $10.3 billion in 1991. There is vast potential to increase these numbers in an open market. Japan is the largest international purchaser of forest products from Washington and Oregon. According to industry experts, these states will benefit even more as Japan starts building more western-style houses, and as the forest products industry begins to cater more to Japanese consumer needs. Even pre-fabricated log cabins from the United States are beginning to catch on in Japan!

American farmers also will reap the benefits if Japan

DAVID DREIER, *a congressman from California, is the ranking Republican member on the Subcommittee on Rules of the House, which has jurisdiction over expedited trade legislation.*



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Reuters/Bettman

**A free-trade agreement would make it easier for U.S. retailers to open stores and sell American products in Japan.**

lifts its import restrictions on certain agricultural products, including rice, vegetables, eggs, chicken, pork, milk, and other dairy products. Japan currently imports over 50 percent of its food products, and American farmers could secure an even larger share of the Japanese market if import restrictions and high tariffs were eliminated.

At a time when American industries are suffering from an anemic economy, they would secure big dividends by increasing exports to Japan. The alternative approach to a free-trade agreement—imposing retaliatory measures on Japan—would do nothing to increase exports, but rather would risk closing the door to trade with Japan altogether.

### Bipartisan Congressional Support

President Clinton stands at a crossroads on trade issues. Given his support for the principles of free trade during the campaign, Mr. Clinton could solve many of our nation's economic problems by breaking down the barriers to American exports. Or, he could succumb to the immense pressure of his party's dominant special interests, which have an aversion to free trade and open markets. Our new president has given lukewarm support to NAFTA. However, Mr. Clinton should be receptive to the idea of proposing a free-trade agreement with Japan, especially since such an agreement would entail none of his NAFTA-related concerns about the environment or competition from low-wage labor. Japan's environmental regulations are as tough as or tougher than those in the United States, while wage and benefit levels are comparable to the leading industrial nations.

In addition, President Clinton would find bipartisan congressional support for a U.S.–Japan free-trade agreement. Since Ambassador Mansfield's call for free trade, several members of Congress, including Sam Gibbons, Phil Crane, Jim Kolbe, and I have supported legislation to begin free-trade negotiations. Others have spoken in favor of a free-trade agreement with Japan, including Jim Traficant and Doug Applegate, both Ohio Democrats who take a tough line on trade with Japan.

Congressman Traficant said that while he objects to free trade with Mexico, he "would advise Congress to ... look to a free-trade agreement with Japan." Applegate said that a free-trade agreement with Japan would "open up the Japanese ports of entry to American productivity ... [and] eliminate discriminatory practices which the Japanese practice against U.S. products." In addition, there are many other free-traders in Congress who would support such a proposal given a strong show of leadership from the president.

### Enormous Market to Tap

A free-trade agreement would give the United States access to a largely untapped market of over 124 million Japanese consumers. Despite having the second-largest market economy in the world, Japanese private consumption ranks near the bottom in the industrialized world. In fact, according to a 1991 Organization for Economic Cooperation and Development (OECD) survey, Japan spends only 8 percent of its total gross national product on imports, far below the 19 percent average among major OECD countries. For years, the Japanese have artificially suppressed their market with stringent restric-



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Both photos: Photofest

**America and Japan are headed toward a trade war that would not serve the interests of either economy.**

tions on imports. The resulting high prices have hurt Japanese consumers and dampened demand for imported products. These import restrictions would be a prime target of a U.S.–Japan free-trade agreement.

For example, Japan's Food and Control Act was created during a period of wartime scarcity and continues to monopolize all aspects of agricultural production, marketing, and trade. Japan's Food Agency buys imported products at market prices and then resells them at much higher domestic prices. Lifting these controls would be a boon for American agricultural exporters, not to mention Japanese consumers, who pay notoriously high prices for their food.

Such a change would also benefit an important constituency for Bill Clinton: Arkansas rice farmers. Japan maintains an almost total prohibition on rice imports, and Japanese rice farmers receive extremely high price supports from the government. If the Japanese rice market were liberalized, U.S. industry experts estimate that U.S. rice exports could increase to as much as $650 million a year. There also is evidence that public opinion in Japan is more open to rice liberalization than one might assume. A 1990 survey in a Japanese business newspaper indicated that 70 percent of the Japanese public favored opening their rice market to imports.

**Japan's environmental regulations are as tough or tougher than those in the United States.**

### Tyranny of the Status Quota

Opponents argue that free trade will not increase market access for the United States since, on paper at least, Japan already has some of the lowest trade barriers in the world. Indeed, a U.S.–Japan free-trade agreement should be unlike most traditional trade agreements, which focus primarily on tariff reductions. Japan now has the lowest tariff level of all the OECD countries—Japan's average tariff rate on industrial products is only 2 percent.

However, high tariffs remain on many products important to U.S. producers, including petrochemical products, aluminum products, paper, and agricultural products. In addition, Japanese import quotas continue to limit American agricultural products, including wheat, rice, barley, and peanuts. U.S. leather products and footwear also continue to face substantial barriers, despite Japanese efforts to modify their import quotas and restrictions. Established exporters tend to receive the lion's share of import quotas, making it extremely difficult for American companies to obtain import quota shares on new products. Import quotas and remaining tariffs are significant barriers that would be lifted under a free-trade agreement.

Others argue that a free-trade agreement is unnecessary given the presence of the General Agreement on Tariffs and Trade (GATT) and the Structural Impediments Initiative (SII). A free-trade agreement with Japan would not override these agreements, but would contribute to the overall goal of liberalizing world trade and opening markets to U.S. products. Unlike GATT, a free-trade agreement would address specific concerns that the United States has with Japan, and our unique relationship with that country. A free-trade agreement would address Japan's opaque and informal decision-making process, labyrinthine distribution system, regulatory requirements, patent infringement, and lax



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AP/Wide World

**American farmers, such as these rice growers in Texas, would benefit enormously from a lifting of Japanese import restrictions.**

antitrust enforcement, all barriers to U.S. exports.

Free-trade negotiations also can give higher public visibility to non-tariff barriers to trade. Unlike the SII, which has become mired in technical details, such as how much public investment and how many sidewalks Japan should have, a free-trade agreement offers a more comprehensive format that would attract more attention from the general public. As a result, both countries would feel more pressure from the public to negotiate a successful agreement, and both countries would have the opportunity to resolve their most pressing trade problems. Otherwise, the United States is left with only punitive action, which will not further our interests.

### Are Keiretsu a Barrier?

Some opponents argue that cultural differences are insurmountable barriers to free trade with Japan. There is no doubt that cultural and language differences make it more difficult for U.S. companies to do business in Japan. However, cultural barriers to trade are not insurmountable. For example, *keiretsu* arrangements, consisting of interlocking industrial, financial, and trading companies, exclude outsiders and stifle competition. *Keiretsu* have often been cited as one of the impenetrable cultural barriers to U.S. investment and trade in Japan.

A recent survey of senior executives of U.S. companies in Japan was conducted by the A.T. Kearney Company for the American Chamber of Commerce in Japan (ACCJ). It found that, while 47 percent said that *keiretsu* restricted their ability to do business in Japan, 32 percent said that *keiretsu* had a positive effect on their business with Japan. With a little hard work, American businesses can break into these closed relationships. IBM, Coca-Cola, Amway, Hewlett-Packard, and dozens of other American companies have succeeded in Japan, despite the many cultural barriers blocking their path. A free-trade agreement would require Japan to hold *keiretsu* members accountable for anti-competitive activities that violate Japan's antitrust laws. Japan has been under fire for years for not enforcing its antitrust laws, and this would be a major focus of a free-trade agreement.

There also are many tangible, non-cultural barriers that can be identified and addressed successfully in a free-trade format. For example, a free-trade agreement would focus on the many building restrictions in Japan that keep new businesses from entering the market in major cities like Tokyo. The ACCJ-Kearney study found that 55 percent of American businesses in Japan said that the high cost of doing business in Japan is the greatest impediment to market access. Only 22 percent cited non-tariff barriers such as *keiretsu*. The high price of land is by far the biggest factor increasing costs to new businesses. Although land costs have peaked since their height in the late 1980s, the average cost of land in Japan is still the highest among OECD countries. A recent survey cited in an upcoming House Wednesday Group report found that the average cost for a square meter of land in downtown Tokyo is $6,000, while a comparable plot of land in Los Angeles costs an average of $108.

### Restrictions on Retailers

While the continuing depreciation of the dollar contributes to the high cost of land for Americans, Japanese government restrictions are a major factor. The Japanese government encourages individuals to hold on to their land with low property taxes and relatively high capital



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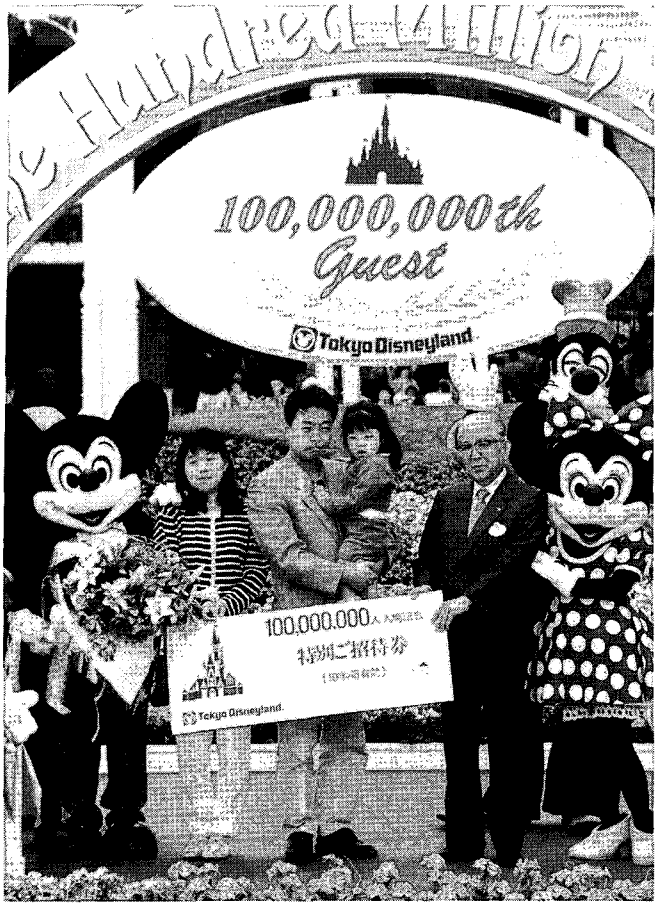


AP/ Wide World

**Whatever the cultural differences between the two countries, Japanese consumers love American goods and services.**

gains taxes on the sale of land. In addition, with virtually no property taxes on farmland and high agricultural subsidies, many gentleman farmers prefer to keep their land instead of selling it for development.

The Japanese government's taxation and zoning policies have stunted the growth of business in Japan. The average building height in Tokyo is only 2.7 stories tall, much lower than in most of the world's metropolitan areas. Earthquakes are not the reason for the lack of tall buildings—tall buildings frequently offer more structural support than small buildings during an earthquake. Rather, local "sunshine laws" and other zoning restrictions limit the height of buildings. A free-trade agreement could work to remove these restrictions so that American firms have room to set up business in Japan.

The "think-small" mentality in Japan also affects the distribution system, which needs a major overhaul. Japan's Large Scale Retail Store Law has restricted the establishment of large retail stores in favor of small mom-and-pop stores that are limited in their selection of goods. In order to set up a large retail store, or to expand the floor space of existing stores, owners must obtain approval from a local council. Small store owners on the council often impede competition by blocking large stores from moving into the area.

Large American stores, such as Toys "R" Us, have had considerable difficulty setting up shop in Japan. Japan recently shortened the large-store application process to no more than one year, a considerable improvement considering that many applications were stalled for 10 years or more. After much effort, Toys "R" Us finally opened its doors outside Tokyo, and plans to open more stores across Japan. A free-trade agreement could reduce the waiting time for large store applications even more, and pursue any additional steps necessary to make large retail stores more accessible. If allowed into Japan, U.S. retailers would stock many U.S.-made products that they stock in their stores at home.

### Two-Way Street

Free-trade negotiations should also focus on the many unwritten rules that shape Japan's trading system. They include: unnecessary testing standards, licensing procedures, and certification requirements; restrictions on direct foreign investment; and government subsidies to industries that give Japanese products an unfair advantage. Japan's trade bureaucracy operates largely behind closed doors, and procedures and standards are seldom publicized. This leads to an informal rule-making process, which often gives Japanese bureaucrats enormous control over whether to allow an American product into the country. These are all complex issues that will not be solved overnight, but in the context of a free-trade negotiations, significant progress can be made.

Critics also argue that a free-trade agreement with Japan would be entirely one-sided, because the United States has nothing to concede. Yet, despite our liberal investment laws and relatively open market, the United States maintains a number of protectionist policies that impede free trade. America does not have an unfettered market by any means. Areas of concern for the Japanese include U.S. dumping laws, "voluntary" restraint agreements, agriculture subsidies, arcane and duplicative banking regulations, import quotas and tariffs, punitive trade measures, and the number of government agencies with overlapping jurisdiction over trade negotiations.

A free-trade agreement undoubtedly would require the United States to reduce tariffs on Japanese products significantly, or perhaps eliminate them altogether. During recent GATT negotiations, the United States agreed to reduce its current 5.5 average tariff on mining and industrial items to 3.5 percent. However, U.S. tariffs on a number of items remain extremely high, including wool fabric (42 percent maximum), footwear (48 percent maximum), and glassware (38 percent maximum).

Also of significant concern for the Japanese are U.S. anti-dumping measures, which place the burden of proof on the accused corporation and ensure that once in place, dumping orders are virtually impossible to eliminate. There is no "sunset clause" for dumping orders. Congress originally required that the Department of Commerce review each dumping order annually, but this requirement was later repealed. Some dumping orders have been in place for a decade or more. A large proportion of dumping cases were determined on a "best information available" basis. If the accused firm does not respond in time to the charge of dumping, the information provided by the petitioner is usually used. This happens all too frequently when language barriers get in the way, or when a foreign firm does not wish to make



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its trade secrets public. Anti-dumping laws apply arbitrary standards in determining the "fair" price for a product, and often fail to consider fluctuations in exchange rates, differences in American and foreign products, or the impact dumping orders will have on consumers.

### New Ways to Handle Disputes

One of the U.S. trade policies most objectionable to the Japanese is Section 301 action authorized by the Trade Act of 1974. Section 301 allows the U.S. Trade Representative (USTR) to determine whether to pursue action against foreign governments that practice "unfair" trade. The USTR may increase duties or other restrictions on imports of goods and services from the offending country. The Japanese believe that Section 301 action violates the General Agreement on Tariffs and Trade (GATT), which prohibits unilateral retaliation against unfair trade.

The Trade Expansion Act, passed by the House in 1992, would have reauthorized the expired provisions of "Super" 301 action. But the bill would have gone a step further than Section 301 by requiring the USTR to develop a hit list of unfair traders and pursue harsh, retaliatory measures, including steep tariff hikes on imports from those countries. Measures such as this only serve to increase tensions between the two countries, and should be used only as a last resort. With a free-trade agreement, such action would be unnecessary because all disputes would be handled under the aegis of the trade agreement, or through an agreed-upon dispute resolution mechanism.

Voluntary Restraint Agreements (VRAs) are another barrier to trade that the Japanese would like to eliminate. VRAs currently restrict exports of Japanese passenger cars to 1.65 million a year. In addition, Japan placed VRAs on machine tools and steel after much insistence by the United States. Big-Three automakers and union officials have already met with President Clinton and Vice President Al Gore to urge them to lower the "voluntary" quotas for autos even further. Like other protectionist measures, VRAs distort the market and increase costs for consumers in order to prop up weak and inefficient industries. These industries become weaker as a result, and demand even more government protection, spawning a vicious and unproductive cycle.

Forging a bipartisan consensus for free trade with Japan would be one of the most remarkable accomplishments of any 20th-century president. A free-trade agreement would provide a format to negotiate a comprehensive solution to our trade disputes with Japan, and it would create jobs for Americans. As the engine of modern economic growth, exports are crucial to creating jobs and improving the economy. A free-trade agreement with Japan would also fit in well with Mr. Clinton's campaign theme, "It's the economy, stupid!" Let's hope that Mr. Clinton listens to that clarion call.



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# Poplar Front

## The Rebirth of America's Forests

Jonathan H. Adler

At the turn of the century, leaders in the emerging conservation movement warned that the United States would soon run out of trees. President Theodore Roosevelt observed: "If the present rate of forest destruction is allowed to continue, with nothing to offset it, a timber famine in the future is inevitable."

Gifford Pinchot, the father of the United States Forest Service, was another pessimist: "The United States has already crossed the verge of a timber famine so severe that its blighting effects will be felt by every household in the land."

These forecasts of a timber shortage were not without foundation. The 19th and early 20th centuries saw the deforestation of vast tracts of land. By 1920, only 600 million of America's previous 1 billion acres of forest remained. The demand for cropland, building materials, and fuelwood had taken its toll on forests. Between 1850 and 1920, fuelwood consumption tripled, and industrial wood consumption quintupled. Rising population threatened to put further pressure on forests as wood was used for everything from homes and fences to railroad ties.

Many areas that once had held rich, expansive forests largely were depleted of trees. It has been said that when the first European settlers arrived, a squirrel could travel from Maine to the Mississippi River without ever touching the ground. But during the 19th century, much of the eastern United States was cleared for farm land. At one point, according to Forest Service Assistant Director Douglas MacCleery, farmers were clearing forests at the amazing clip of 8,640 acres per day, a rate that continued for over 50 years. As Roger Sedjo of Resources for the Future noted in *America's Renewable Resources*, "Not only had the area in forestland reached its historic low in 1920, but much of the forest that remained in the East was low-quality, low-volume, degraded forest, often used for grazing."

### 230 Billion Trees

In the past 70 years American forests have been reborn. The area of forestland is about the same: 600 million acres in the lower 48 states, or just under one-third of the total land mass; 730 million acres with Alaska and Hawaii. But America has more trees—230 billion now—because there is greater tree density per acre. Indeed, there are more standing trees in America today than at any point in this century.

Particularly notable has been the resurgence of forests east of the Mississippi, where reforestation has been the rule rather than the exception. In the past 40 years, timberland east of the Mississippi has expanded by 3.8 million acres, in addition to the nearly three million acres in the eastern United States that have been declared wilderness in the past two decades. By 1980, New England contained more forested acres than in the mid-19th century; Vermont is now twice as forested as then. Fifty-nine percent of the northeastern United States is covered by forest, a fact that is particularly remarkable since the Northeast's population density, at 260 people per square mile, is over three times the national average. Today the southern United States is responsible for nearly half of the net annual forest growth in America—some 10 billion cubic feet—while also providing over half of the harvested volume of timber. Pinchot and Roosevelt hardly would have believed this was possible.

### Appalachian Spring

This huge forest growth occurred largely because farmers left the eastern United States in favor of more fertile lands in the Midwest, allowing for tremendous reforestation in the East. Many areas that now house thriving forests once were cleared for logging or agricultural purposes. The Shenandoah National Park—one of the most popular in the entire national park system—was once rough, relatively unproductive farm land. Hilton Head, a South Carolina island resort known for its lush surroundings of oaks and palmettos, was cleared for agriculture before the Civil War. Beginning at the turn of the century, the island was managed by private owners for timber and wildlife, allowing the forest to grow back.

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**Price signals have given landowners the incentive to increase the timber supply by replanting.**

Moreover, the Eastern Wilderness Act of 1974 established many areas as "wilderness"—defined as "a tract or region uncultivated and uninhabited by human beings"—that had previously been cleared, some within the past 60 years. This is even true of the Boundary Waters wilderness area in Minnesota, considered by many to be the premier wilderness area in the eastern United States.

In 1885, two-thirds of the original forest in the Adirondacks had been logged at least once. At that time, much of the land was made a New York State preserve to be kept as "wild forest lands." Today, there is talk of creating additional wilderness in Adirondack lands that had once been cleared for logging and subsistence farming. Earlier clearing of these lands has not prevented the return of the natural forest ecosystems.

Forest regeneration in the western United States has not been as dramatic as in the East. Nonetheless, even the West is experiencing net forest growth. Although some western states, such as Oregon and Washington, recently have been plagued with political conflicts over forest-management practices, forest planting in these states has increased over 50 percent in the past 20 years. In 1990, the United States Forest Service reported that Oregon and Washington ranked fifth and sixth in the nation in the number of acres planted.

The United States has approximately 900 trees for every American. And as American forests have grown more healthy and robust, they have provided more timber output. The standing volume of trees in America's forests is now 24 percent higher than just 40 years ago. Led by increases in hardwood forest inventories, timber growth has risen nearly 70 percent per acre since 1952.

There are three major reasons for the improvement of Americas's forests: 1) the development of better forest management techniques such as wildfire control; 2) rapid technological change that has reduced per capita timber demand; and 3) price signals that have given private land-owners an incentive to plant trees.

### Taming Wildfire

Wildfire, both natural and manmade, devastated forests in the 19th and early 20th centuries. These fires whipped across forested expanses, consuming tens of thousands of acres at a time. At the turn of the century, forest fires consumed as many as 50 million acres annually—an area as great as West Virginia, Virginia, and Maryland combined—and were responsible for



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hundreds of deaths. No wonder fire suppression became a major focus of the United States Forest Service (USFS) in the 1920s.

Because of its massive impact on forests, controlling wildfire has been perhaps the most important single development in encouraging the growth of America's timber industry. Today, wildfire rarely consumes one-tenth of its turn-of-the-century highs. While 1872 typically is remembered as the year of the Chicago fire, that same year a forest fire killed some 1,500 people and consumed 1 million acres of trees near Peshtigo, Wisconsin. Such disasters largely are a thing of the past thanks to fire-suppression efforts.

Forest fires, of course, often clear the way for forest regeneration. By clearing the land of older stands, fires enable younger trees to grow, particularly those that are shade intolerant and are unable to grow under the forest canopy. Some tree species, particularly certain species of pine, thrive as a result of smaller forest fires that eliminate competition from less-resistant species. Nonetheless, forest fires can decimate regions and destroy habitat. Controlling these outbreaks has allowed the development of healthier forest ecosystems in many areas.

**The oil and gas industry protects North America from the deforestation in much of the developing world.**

The prospect of uncontrolled fires has been a major disincentive to the planting of new trees. Private land owners, although enticed by the prospect of profiting from the harvest of timber, were discouraged by the prospect of having their investment destroyed by wildfire. As a result, before fire suppression rose to prominence in after World War II, tree planting remained under 200,000 acres annually. By 1970, annual tree planting covered over 1.5 million acres, and today almost 3 million acres are planted. Most planting has occurred on private lands, and it is certain that much of it would not have occurred if private landowners had to worry about the threat of wildfire.

### How Cars Save Trees

As improved fire control techniques have raised incentives to plant trees, rapid technological changes have led to more efficient use of forest resources. The development of wood preservatives, for example, has lengthened the lifespan of timber products such as railroad ties, which once composed over 20 percent of annual timber use. By 1960, railroads accounted for only 5 to 6 percent of timber consumption, as few new lines were being built and few ties had to be replaced.

The rise of the automobile spared millions of acres of forest. Rural communities no longer had to depend on rail transportation, with its enormous wood requirements. Autos also reduced the pressure to convert forest into farmland. This is because the acreage devoted to feeding draft animals—one-quarter of all cropland at the turn of the century—could decline sharply as autos replaced horse-drawn carriages and tractors replaced animal-drawn farm equipment.

The spectacular advances in farm productivity—resulting from chemical fertilizers and pesticides, hybrid seed varieties, and farm machinery—also limited the need for cropland acreage, even as America's population continued to rise. Average corn yields per acre, for example, have more than tripled since 1935. This has left more room for oak, hickory, and pine.

Today the oil and gas industry also protects North America from the kind of deforestation now occurring in much of the developing world. In 1850, the United States used approximately 50 percent of harvested timber as fuelwood, and firewood provided over 90 percent of the BTUs produced. Today, only 20 percent of wood consumption is fuelwood, as fossil fuels have largely displaced wood as an energy source for heating and cooking. By contrast, over half of the timber harvested in the rest of the world is used for fuel, and in lesser developed nations, the portion of timber consumed for fuel is 80 percent.

During this century timber mills have become vastly more efficient in using wood. Thinner sawblades and computer control of sawing have dramatically reduced waste, while the introduction of fiberboard and other wood products has turned what were once wood scraps into marketable products. As with many industries, market pressures have induced profit-seeking firms to develop innovative methods of increasing efficiency and reducing waste. The prospect of an inexpensive source of timber prompted Tree Technology International, Inc. to develop a paulownia clone that matures in seven years—one-sixth the standard for hardwood.

Meanwhile, price signals have given landowners the incentive to increase the timber supply by replanting. Over 80 percent of forest planting—covering approximately 3 million acres—now occurs on private land each year. As long as there is a substantial demand for timber, these trends likely will continue.

This past Christmas, there was even a glut of Christmas trees on the market, resulting in prices as low as $5 per tree. Albert Gondeck, executive director of the Maine Christmas Tree Association, told the Associated Press that "There aren't enough people for all the trees." The glut occurred because so many trees were planted by speculators looking to make a profit.

For some applications, however, entrepreneurs have been driven to develop cheaper timber substitutes. While wood once dominated building construction, today concrete and steel have displaced much timber use. Such substitutions reinforce the general trend toward a more sustainable timber supply, brought about not by government planning, but by market responses to the potential of resource scarcity. As long as timber companies stand to make a profit from forest cultivation, they will replant. This is true even in the wake of natural disaster. When



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the slopes of Mount St. Helens were consumed by the volcano's eruption, Weyerhauser promptly planted more than 18 million trees over the following six years.

### Spots of Decline

While overall trends are positive, the state of America's forests is not without blemishes. The Pacific Northwest has seen a modest decline in timber volume per acre—approximately 5 percent in the past four decades. Northwestern forests have declined moderately, in part as a result of selective harvesting of Ponderosa pine that leaves the remaining stands more vulnerable to insect infestation. In the East, the population of black walnut has declined sharply as a result of heavy harvesting and only modest regrowth, although the number of black walnut tree farms is rising.

Some other popular species of trees have been ravaged by disease and pests. Gypsy moths, Dutch elm disease, and white pine blister rust have taken a terrible toll. The majestic American chestnut, once the primary hardwood in eastern forests, was virtually wiped out by a blight from Europe that arrived at the turn of the century. Growing insect and disease infestation is raising concern about the health of forests in eastern Oregon's Blue Mountains.

In spite of these problems, there is hope for some of the threatened species. Fusiform rust has attacked several species of southern pines, including the loblolly. Timber companies and forest officials have responded by interbreeding resistant strains of these species and developing resistant nursery stock to promote some recovery. Similar efforts have been to combat white pine blister rust. There is also the possibility of developing a hybrid, blight-resistant species of chestnut, or even some form of inoculation against the blight that would allow for the chestnut's reintroduction from nursery stock.

Members of the environmental establishment frequently raise the issue of America's disappearing old-growth forests as evidence of forest decline. The Sierra Club and the Wilderness Society have been at the forefront in advocating that remaining old growth forests be placed in a permanent forest preserve, a position that was also endorsed by President Bill Clinton during his campaign. Interestingly, the protection of old growth forests is a relatively new concern in the environmental movement. Old growth forests were once considered the biological deserts of forest ecosystems, as few species are specially adapted to this environment. Indeed, much of the concern over preserving old growth forests seems to arise from an aesthetic preference for forests that have never been cut, or otherwise disturbed, by man. Yet there is little reason to fear the imminent destruction of old growth forests. USFS lands still contain over six million acres of old growth, some 3.3 million of which is protected from timber harvesting.

### Deforestation Abroad

Were Theodore Roosevelt and Gifford Pinchot still alive today, they would be in for shock. The "timber famine" that they believed was imminent has been forestalled indefinitely, and America's forests are healthier than at any other time in this century. With continuing technological improvements, the existing trend of forest growth, led by private owners, should continue.

AP/Wide World Photos

**The control of forest fires has been the single most important development encouraging the growth of the timber industry.**

Unfortunately, the same cannot be said in much of the developing world, where deforestation continues to be the rule rather than the exception. Government mandates and subsidies from multilateral development organizations like the World Bank have encouraged rampant deforestation throughout the Third World. Moreover, poorer nations are often dependent on timber as an energy source, prompting increased levels of cutting, just as was common in 19th-century America. Whereas America's market economy encouraged a correction of this trend as timber resources became more scarce and prices rose, most developing nations maintain centrally controlled economies under which the reversal of these trends is less likely.

Nonetheless, there are promising signs. Brazil has amended its laws so as to reduce, although not eliminate, the incentive to clear rain forests. Many multinational corporations are managing forests in a sustainable manner. Yet while the environmental establishment pushes for an international forestry convention negotiated through the United Nations, the best hope for the world's forests lies not in bureaucratic control and multilateral agreements, but rather in the replication of what has worked in the United States. Then perhaps one day, experts also could speak of the rebirth of forests around the world, not just in America. ☎



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# LETTERS

David S. Chiu, John J. DiIulio Jr., Hubert Williams, David I. Caplan, E. Duane Davis, Steven R. Harris, William R. Tonso, James B. Patrick, Dennis Ray Martin, William Perry Pendley, James M. Buchanan, David Fand, Eileen B. Claussen, Judith A. Best

## Dead Wrong

Dear Sir:

David B. Kopel's "Hold Your Fire: Gun Control Won't Stop Rising Violence" (Winter 1993) misses many targets. First, Mr. Kopel's claim that owning a gun increases safety is wrong. FBI statistics compiled by gun-control groups show that a handgun is up to 115 times more likely to kill a family member, relative, or friend than it is to kill a criminal. The *New England Journal of Medicine* reported that for every one justifiable homicide in homes, there are 1.3 accidental deaths, 4.6 homicides, and 37 suicides involving firearms.

Mr. Kopel's contention that stricter gun-control laws would have no effect is not supported by more recent studies. A 1989 study found that firearm homicides are five times as likely in Seattle than in Vancouver, 140 miles away in Canada where gun ownership is highly restricted, even though both cities have similar unemployment rates, household incomes, law-enforcement policies, robbery and burglary rates, number of killings by non-gun methods, and even favorite television shows. A 1991 study of the effects of a restrictive handgun-licensing law in Washington, D.C. showed an abrupt decline in the number of firearm homicides and suicides with no related increase in such incidents by other lethal means.

While the contention that assault weapons are hardly used in crimes might have been more true in the early-1980s, the number of illegal assault weapons has risen explosively. The New York City Police Department seized 98 assault rifles in 1989 and 104 assault rifles in the first six months of 1990. Similar trends have been recorded in major cities across the country. While Mr. Kopel cites the fact that no semiautomatic assault *rifle* was confiscated in 1988 by Washington, D.C. police to support his general claim that assault *weapons* are not used by criminals, 172 assault weapons were seized in crimes in the nation's capital in 1990. The Bureau of Alcohol, Tobacco, and Firearms estimated from its nation tracing efforts that in 1989, 9.9 percent of illegal firearms were assault weapons, up 49 percent from 1987 figures.

Mr. Kopel's contention that no guns available for sale to the public can be converted easily to fire automatically is dead wrong. Almost any semiautomatic can be converted into a full automatic in a short time. Moreover, a clandestine cottage industry has grown to meet the demand for such services.

**David S. Chiu**
Kennedy School of Government
Harvard University

## Conceptual Hairsplitting

Dear Sir:

David Kopel's article goes off half-cocked. He is absolutely right that few, if any, empirical studies make a definitive case for gun control. At the same time, however, he ignores the fact that the authors of the studies on which he relies (with the arguable exception of Gary Kleck) stress the methodological limits of their studies. They report that the relationship between gun-control laws and crime is ambiguous, but Mr. Kopel reads them to conclude that the relationship is non-existent. In fact, as James Q. Wilson and other experts would acknowledge, we know little, if anything, about the marginal crime-reduction value of given types of gun-control policies. This is not to say that we should rush to enact more gun-control laws. But it is to say that Mr. Kopel's dismissal of the efficacy of these policies in reducing crime is much too facile to be credible.

By the same token, were Mr. Kopel to subject the evidence on the crime-reduction value of gun ownership to the same tests he employs with respect to that on gun control, his case for gun ownership would turn to dust. No one can dispute that a certain fraction of gun owners deter or incapacitate a certain fraction of would-be criminals. But advocates of gun control are on firm ground when they insist that gun ownership also spells accidents, suicide, and some degree of gun-related crime. Analytically, the question is, what are the net social costs of gun ownership, and what, if anything, can given types of gun-control efforts do to lower them? For Mr. Kopel to pose as if the existing data and studies have answered this question is absurd.

Over the past decade, the nation's law-enforcement community has gathered and disseminated a great deal of suggestive evidence on the need to ban assault weapons. Mr. Kopel ignores such evidence. Instead, he dwells on the difficulty of defining assault weapons and distinguishing them from other types of firearms. He should ask the families of police who have been gunned down by these weapons to assist him with his conceptual hairsplitting.

The last page of Mr. Kopel's article features a National Rifle As-



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sociation (NRA) ad supporting gun safety. Gun safety is swell, and there is much to be said for the NRA's position on the constitutionality and the practical wisdom of strict gun-control measures. It is unfortunate, however, that Mr. Kopel does more to justify than to allay the suspicions of those who view the NRA's position as the height of policy kookery.

**John J. DiIulio Jr.**
Woodrow Wilson School
Princeton University
Princeton, NJ

### Gun-Related Mayhem

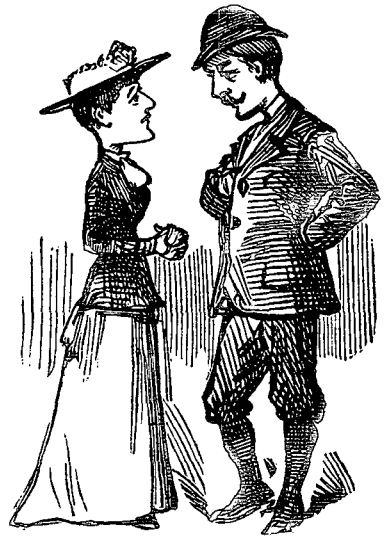
Dear Sir:

Our urban environments are becoming increasingly violent. David Kopel suggests that the answer to danger in the streets is for citizens to buy and carry weapons. Law-enforcement officers, who risk their lives to help us deal with crime every day—and who must respond to such gun-related mayhem as bloody domestic disputes, suicides, and accidental shootings—do not agree that a proliferation of firearms is the answer.

In fact, most of the leading law-enforcement organizations, including the Police Foundation, support national legislation that would require a waiting period and a background check for handgun purchases. This would create one additional layer of difficulty for the unstable, dangerous purchaser and would, at the most basic level, reduce heat-of-the-moment buys.

The law-enforcement community also supports legislation to outlaw assault weapons. Police departments around the country have seen dramatic increases in the use of assault rifles by drug dealers and gang members in recent years. A Cox Newspapers study found that assault rifles are 20 times more likely than conventional firearms to be used in the commission of crimes.

Contrary to Mr. Kopel's assertions, the differences between assault rifles and hunting rifles are more than cosmetic. Assault rifles are made to be fired from the hip. They can be fitted with accessories with clearly non-sporting purposes: ammunition magazines with the capacity to fire dozens of rounds without reloading, shrouds to keep barrels cool during rapid-succession firing, and silencers. It is difficult to make the argument that there is a legitimate civilian use for a semi-automatic rifle that can fire 100 rounds in less than two minutes.



Finally, Mr. Kopel's anecdotal arguments miss the point entirely. We must face *facts*. There are over 600,000 crimes, including 12,000 murders, committed with handguns each year. How many criminals are shot by law-abiding people protecting themselves?

**Hubert Williams**
President
Police Foundation
Washington, DC

### Guns Are Better Than Drugs

Dear Sir:

David Kopel's article is quite comprehensive in its demolition of the many myths that are all too popular in the mass news media. One additional point: Guns are easy, if not easier, to smuggle into the country than drugs, and one smuggled gun lasts a hundred years or more. Yet, with all the resources we spend on drug interdiction, drugs are as easy to obtain on the streets as candy.

More important, whereas illegal drugs have negative social value, even illegal guns in the hands of otherwise law-abiding people have great value in resisting and protecting against predatory violence and crimes.

**David I. Caplan**
Madison, NJ

### Criminals Fear Guns

Dear Sir:

David Kopel's contention that a well-armed citizenry discourages crime demands further comment. Research in this area continues to mount and the conclusions seem inescapable. Criminals *are* deterred by armed citizens. Professors Wright and Rossi's survey of convicted felons establishes that criminals worry more about running into an armed citizen that they do the police. Gary Kleck's research indicates that armed citizens actually kill more criminals, justifiably, than do the police. In research on citizens' attitudes about firearms and self-protection, my colleague Laura Moriarty and I found an additional benefit of an armed citizenry: people feel more safe when they have a firearm in their homes. Our further research indicates (as does the research of others) that citizens purchase firearms for protection as part of an overall crime-prevention plan that includes such things as burglar alarms, dead bolts, and other home-security devices.

Not only do armed citizens have a greater sense of security, their unarmed neighbors benefit from their ownership because criminals cannot know which houses are armed and which are not, and so might be

**Mr. Kopel does more to justify than to allay the suspicions of those who view the NRA's position as the height of policy kookery.**

**—John J. DiIulio Jr.**



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deterred from crime entirely. Crime statistics from Florida after the passage of carry-law reforms add credence to this argument.

Government officials must realize that the public wants the freedom to protect itself, as well as laws that deal with armed criminals severely. An armed general public, with proper training in the legal and moral responsibilities of gun ownership, as well as basic safety training, can serve as an effective deterrent to crime.

**E. Duane Davis**
Department of Criminal Justice
Western Carolina State University
Cullowhee, NC

### Constitution Doesn't Protect Bazookas

Dear Sir:

David Kopel's misinformed article asserts that assault weapons are rarely used in street crime, and that a ban on these weapons would do little to reduce crime. Allow me to put this serious issue in the proper perspective. The conference report on the 1992 Omnibus Crime Bill states that from 1986 to 1990, 1,088 assault weapons were traced to murders in the United States and 3,505 were linked to drug traffickers. Since only about 10 percent of gun crimes result in traces, these weapons could have been used in 10 times as many crimes. Assault weapons account for nearly 30 percent of all the firearms traced to organized crime, gun-trafficking, and terrorist crimes.

Assault-type semi-automatic weapons have no sporting or hunting purpose; they are used by those who desire to kill or seriously wound large groups of people, quickly. The tremendous amount of ammunition available for these weapons is also unneeded for any legitimate purpose. Contrary to what Mr. Kopel reports, the numbers of criminals armed with assault weapons—drug traffickers, street gangs, and organized crime—are increasing. The police are increasingly outgunned.

Gun lobbyists claim that the restriction of private assault-weapon ownership is an infringement upon the constitutional right of United States citizens to bear arms. The International Association of Chiefs of Police does not believe that our Founding Fathers intended to confer upon every citizen the right to own an assault weapon. The logical extension of this "constitutional" argument is that every citizen also has the right to own military-type weapons, such as bazookas, or Stinger missiles that can be fired from the shoulder to bring down a building or an airplane.

**Assault rifles are 20 times more likely than conventional firearms to be used in the commission of crimes.**

**—Hubert Williams**

Although the IACP supports the right of law-abiding Americans to have firearms for legitimate sporting, recreational, law-enforcement, and private-security uses, we do not believe that the constitutional right to bear arms implies or compels the unfettered proliferation of firearms among our citizens.

**Steven R. Harris**
President
International Association of
Chiefs of Police
Alexandria, VA

### *Cosmopolitan Culture*

Dear Sir:

*Policy Review* should be commended for publishing David Kopel's article. Any regular watcher of television news surely has seen the following scenario played out at least once during the past four years: A man armed with a *fully* automatic assault rifle or submachine gun is shown spraying a target with gunfire, while a gun-control advocate explains that *semi*-automatic "assault weapons" have no legitimate sporting uses.

The impression is thereby given that the gun being demonstrated—which fires as long as the trigger is held back—is the kind of gun being discussed—which requires a trigger pull for each shot—and that the foes of assault weapons regulations want to use machine guns to hunt deer.

Hunters used semi-automatics for 30 years before such weapons were adopted by our military; the Second Amendment (even as interpreted by the Supreme Court in 1939) guarantees Americans the right to possess small arms with militia utility; all American males, and some females, between the ages of 17 and 45 belong to the militia according to federal law; and millions of surplus semi-automatic military rifles, pistols, and carbines have been sold to the public at bargain prices through the Army's Office of the Director of Civilian Marksmanship.

Having followed the gun-control movement closely for over 30 years, I am strongly inclined to believe that the effort to regulate gun ownership has less to do with crime control than it has to do with cosmopolitan America's attempt to impose its culture on bedrock America, and with the concerns of elites of both Left and Right.

**William R. Tonso**
Department of Sociology, Criminal
Justice, and Anthropology
University of Evansville
Evansville, IN

### Oxymoronic Assault Rifle

Dear Sir:

Although I greatly respect David Kopel's insightful studies on gun control, I must take sharp issue with



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one aspect of his article. After a discussion of the distinction between automatic and semi-automatic firearms, Mr. Kopel says, "Although most of the public believes that assault weapons are machine guns, the guns in question are simply look-alike military weapons." A little later he says, "The fact that semi-automatic assault weapons differ from other guns only cosmetically is one reason why legislative bodies have so much difficulty defining them."

There is no such thing as a semi-automatic assault weapon; the term is an oxymoron. The defining characteristic of an assault rifle is capability of fully automatic fire. The U.S. Army procurement manual so specifies, and every other manual that I am aware of has the same requirement.

Assault rifles originated with the German stormtroopers in World War II and still have the same general characteristics: fully-automatic fire (newer ones can be selective), light weight (so they can be fired by an individual soldier), and less-powerful ammunition than that of the traditional army rifle. Under the National Firearms Act of 1934, any real assault rifle would be classified as a machine gun, and already would be illegal.

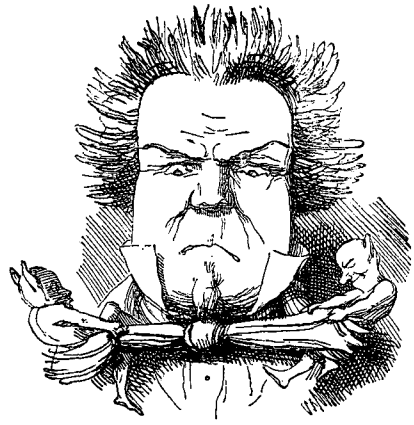
The gun-prohibition crowd has made its progress by twisting definitions. It stirred up a tempest of publicity by inventing the term "cop-killer bullets," which never killed a policeman, and tied up the Senate for weeks with a law banning "plastic guns." It is no easier to make a plastic gun than it is to make one out of cream cheese or peanut butter, but the media and much of the public fell for it.

If we let the gun prohibitionists befuddle the politicians and the public again with imaginary "semi-automatic assault weapons" the resulting laws might ban any sort of gun by jiggering the definition. Defenders of the Second Amendment must insist upon correct terminology and honest definitions throughout the debate.

**James B. Patrick**
Chairman
Firearms Education and Defense
Using Politics (FED-UP)
Staunton, VA

**David B. Kopel Replies:**

Mr. DiIulio claims that "the law-enforcement community" has gathered "a great deal of suggestive evidence on the need to ban assault weapons," but he does not say that what that evidence is. He makes an emotional reference to families of police officers murdered with "assault weapons," although he does not dispute the article's citation of FBI reports showing that "assault



weapons" are used in no more than 4 percent of police homicides. If grieving families were the criteria for prohibiting objects, then we should disarm the police, since—according to the FBI—a policeman is far more likely to be killed with his own handgun that has been snatched by a criminal than to be killed with an "assault weapon."

Mr. Williams and Professor Chiu argue that the harm of handguns outweighs their social benefits. They compare the number of crimes, accidents, or suicides involving guns, with the number of criminals who are shot or killed by gun-owning citizens in a given year. I hope that Mr. Williams and Professor Chiu do not measure the anti-crime value of police departments based on how many people the police shoot or kill every year.

Assessing the social benefits of guns (and the police) requires accounting for the substantial number of crimes that are interrupted (without a shooting) or that never take place due to the deterrent value of guns or police. As my article notes, handguns are used for defense against criminal attack about 645,000 times a year, and surveys of felony prisoners reveal 39 percent had personally decided not to attack a victim for fear that the victim might be armed.

Professor Chiu's argument that a handgun is more likely be used to kill a family member than a criminal poses a false dichotomy. Armed self-defense is not limited to resisting strangers committing burglaries. A significant percentage of domestic shootings involve legitimate defense against ex-boyfriends or male relatives perpetrating aggravated assaults, rapes, or attempted murders. If a husband repeatedly batters his wife, and makes plausible threats to kill her if she ever leaves him, if and when the husband begins another assault, a battered wife picks up the husband's gun and shoots him, I count the shooting as lawful defense against a criminal, whereas the gun-control groups call it a "tragic domestic shooting caused by a handgun."

Moreover, as my article notes, social science research shows that gun control is unlikely to reduce the bad effects of guns—since suicides will choose alternate methods, and since criminals can get guns illegally anyway. At the same time, gun control endangers public safety by taking guns away from law-abiding people who need guns for defense.

**The effort to regulate gun-ownership has less to do with crime control than it has to do with cosmopolitan America's attempt to impose its culture on bedrock America.**

**—William R. Tonso**



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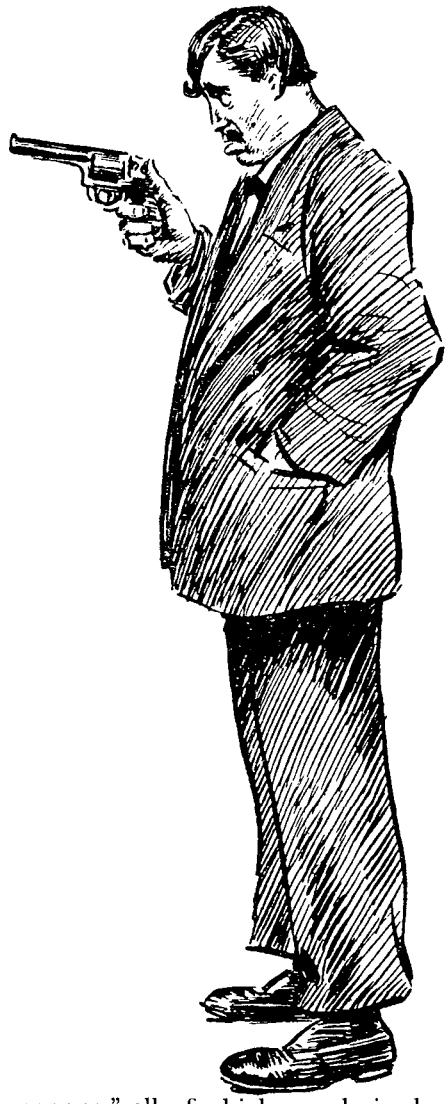
Professor Chiu points to a study that found Seattle to have a higher homicide rate than Vancouver (due almost entirely to gun homicides), and also to have less severe gun laws. While he mentions the many similarities between Seattle and Vancouver, he leaves out one key difference: Seattle has a large black and Hispanic population, and the excess homicides associated with Seattle were the result of homicides involving these groups. Seattle whites are no more likely to commit a murder than Vancouver whites, even though Seattle whites have more guns, and fewer gun-control laws. The evidence suggests, therefore, that instead of fixating on guns, we ought to start addressing the problems of inner-city minorities and poverty.

In a broader analysis of the United States and Canada, Brandon Centerwall's study for the American Journal of Epidemiology found that homicide rates in American states bordering Canada was generally equal to or lower than the rate in the adjacent Canadian province.

Professor Chiu also points to a study of the District of Columbia's 1977 handgun-prohibition law (euphemistically described by Professor Chiu as "restrictive handgun licensing") that asserted that homicide and suicide rates declined in the years immediately following the law. Actually, the Washington homicide rate fell from 1974 to 1976, at which time the rate was 26.9 per 100,000 population, according to FBI statistics. The handgun ban went into effect in February 1977; since then, the Washington rate has always been higher than 26.9 (except in 1985).

Mr. Williams and Chief Harris make various claims about "assault



weapons," all of which are derived from Bureau of Alcohol, Tobacco, and Firearms gun traces and a Cox newspapers article about the traces. Yet only 2 percent of violent crime guns are ever traced by BATF, and about 80 percent of the gun traces that BATF does perform are not related to violent crime. Accordingly, as BATF wrote to Representative Richard Shulze, extrapolating BATF trace data to make broad claims about gun use in crime is "tenuous at best, since our traces ... may not truly be representative of all crimes." The Congressional Research Service analyzed BATF traces of "assault weapons" and concluded that the traces "cannot be considered representative of the larger universe of all firearms used by criminals, or any subset of that universe."

A more reliable method to find out about "assault-weapon" use in crime is to review gun seizures by big-city police departments. Citywide data from Akron, Baltimore, Chicago, Denver, Los Angeles, Miami, Minneapolis, New York City, Oakland, San Diego, San Francisco, and Washington, D.C., as well as state-wide data from California, Florida, Maryland, Massachusetts, and New Jersey show that "assault weapons" (broadly defined) account for no more than 3.9 percent of total gun seizures, and more commonly are 1 percent or less.

Professor DiIulio accuses me of "hairsplitting" regarding the definition of semi-automatic "assault weapons." As Mr. Patrick's letter points out, there is no such thing. There is no logical basis for asserting that some but not all semi-automatic weapons are uniquely dangerous.

Professor Chiu thinks that "almost any semiautomatic can be converted into a full automatic in a short time." The Bureau of Alcohol, Tobacco, and Firearms, however, told the *New York Times* (April 3, 1989) that none of the semiautomatics available to the public could be converted easily. The bureau used legal authority in the early 1980s to require modifications of two pistols that could be converted easily, and successfully removed them from the market.

Mr. Williams argues that "It is difficult to make the argument that there is a legitimate civilian use" for so-called "assault weapons." The Korean-American families who defended their homes and families with Kalashnikov and Colt "assault rifles" during the Los Angeles riots might disagree. So would the tens of thousands of participants in the federal government's Civilian Marksmanship program, which requires the use of the Colt rifle and other so-called "assault rifles."

And if, as Chief Harris argues,

**Even illegal guns in the hands of otherwise law-abiding people have great value in resisting predatory violence.**
**—David I. Caplan**

The number of firearms suicides did fall in Washington after the law went into effect, but so did the number of non-firearms suicides; both results might be expected, since the city's population was declining.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"assault weapons" really do have "no legitimate purpose," but are only useful for mass murder, why has his organization supported legislation that would allow police officers to continue to own instruments of mass murder? Are public-sector massacres more legitimate than private-sector ones? Last December in Bemidjii, Minnesota, a Bureau of Indian Affairs officer opened fire in a bar with his government-issue "assault rifle"

**Gun control endangers public safety by taking guns away from law-abiding people who need guns for defense.**
**—David B. Kopel**

It is disturbing that Mr. Williams of the Police Foundation professes to speak for "law-enforcement officers" regarding the gun-control issue. (In contrast, Chief Harris of the International Association of Chiefs of Police commendably writes only on behalf of his organization.) Washington police groups do not speak for all of America's police any more than the National Organization of Women speaks for all women, or the Children's Defense Fund speaks for all children. In fact, 100,000 police officers petitioned Congress in fall 1991, urging rejection of the Brady Bill and of "assault weapon" prohibition. Broad polling conducted by the Florida Fraternal Order of Police, the National Association of Chiefs of Police, and *Law Enforcement Technology* magazine has found a large police majority against "gun control" in general, and against "assault weapon" bans in particular.

Even if every single police officer did support outlawing guns, the police are not arbiters of constitutional rights. If they were, there would not be much left of the Fourth, Fifth, Sixth, or Eighth Amendments.

### Affirmative Action Means Bad Cops

Dear Sir:

Tucker Carlson's article, "D.C. Blues: The Rap Sheet on Washington Police," (Winter 1993) is on the mark and reflects not just the nation's capital, but many of the major cities in America.

Any community should seek as peace-keepers the best men and women available. The standards for police departments must be raised, not lowered. When they are, the result is a police department whose morale is low, and that is unable and unwilling to carry out its duties.

This has happened in Miami, Florida. A court decided that Miami's police department had to have more Hispanic officers to reflect the city's population. The department's standards were lowered, and within a few years 10 percent of the police department

was either under arrest, convicted, or about to be indicted.

Until Washington raises its standards, training, and salaries, and opens its doors to men and women from all over the nation based on ability, the D.C. blues will continue. This is an excellent article that deserves study and a call to action.

**Dennis Ray Martin**
President
National Association of
Chiefs of Police
Miami, FL

### Americans Are Not Environmentalists

Dear Sir:

Congressman John Miller asserts in "Land of the Free: An Environmental Strategy for Republicans" (Winter 1993) that President Bush failed to carry the state of Washington, and, by implication, the nation, because he was not perceived as an "environmentalist." Yet, Election-Day exit polls reveal that 43 percent of voters thought jobs and growth were the most important issues of the day; only 6 percent thought environmental issues topped the list.

Voters went with Mr. Clinton because they did not believe President Bush, and because Mr. Clinton—on jobs and growth—ran to the right of President Bush. Environmental issues were largely irrelevant.

On environmental issues, President Bush's real problem was with what should have been his core constituency: conservative voters who hate big government, and who distrust the "sky-is-falling," "mankind-is-a-cancer-on-the-planet" rhetoric of environmental elitists.

For nearly four years, President Bush moved to the left to court environmental organizations—groups he could never win over without adopting the platform of the Democratic Party. President Bush largely abandoned the search for domestic energy; adopted a "no-net-loss-of-wetlands" policy that sent landowners to jail; signed wilderness and wild and scenic river legislation over the opposition of local citizens; took more and more private land under governmental control; aggressively enforced the Endangered Species Act; increased the federal bureaucracy; added dramatically to federal regulations; signed the Clean Air Act; and stopped a multitude of local water projects across


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the United States.

Then, less than two months before the election, President Bush travelled west to tell us that, at last, he had heard our cries, that he understood our pain, and that he would do something about it. By that time his vow rang as hollow as his pledge for "no new taxes."

**The culprit that deserves primary blame for President Bush's defeat is the Federal Reserve.**
**—James M. Buchanan and David Fand**

Mr. Miller's analysis is flawed for other reasons. "Denial" is the proper response to the allegedly "scientific" nonsense being set forth by environmentalists as justification for more and more government control. Most, if not all, federal timber sales pay for themselves, one way or another. Western ranchers are excellent stewards of the land—if they were not, they would be kicked off.

While Mr. Miller attacks Republicans for a "me-too" response on environmental issues, that is exactly what he has done. He says Republicans can achieve the same objectives, but with better methods. The real question is whether or not some of the goals make any sense whatsoever.

**William Perry Pendley**
President and
Chief Legal Officer
Mountain States Legal Foundation
Denver, CO

### Federal Reserve Is Culprit

Dear Sir:

George Bush, Richard Darman, and several others deserve their fair shares of the blame for the electoral results in November 1992. But the primary culprit should not be allowed to get off scot free, as Grover G. Norquist tries to imply in "The Unmaking of the President: Why Bush Lost" (Winter 1993). We need only to recall the Clinton campaign admonition "the economy, stupid." If the long drawn-out, multiple-dip recession had not occurred, President Bush would have been reelected even in the face of the several economic blunders that Mr. Norquist and others have listed—reneging on the no-tax pledge, the budget agreement of 1990, increased regulation, increased spending, and so on. And even if President Bush had behaved "correctly" on all these dimensions, he still would have lost, given the long recession.

The culprit that deserves primary blame for President Bush's defeat is the Federal Reserve, which almost totally defaulted on its assigned responsibility to maintain reasonable stability in money and

credit markets. And yet, we find no mention at all of the Fed's actions, or absence thereof, in the Norquist article. This demonstrates once again the amazing ability of the monetary authorities to escape from any assignment of responsibility for economic failures. Several decades had to elapse before the Fed's role in causing the Great Depression came to be recognized fully in the 1960s. Surely, this time, the Fed simply should not be allowed to get away with it.

The Federal Reserve failed to recognize that the excess reserves built up from the bailout of the S&Ls placed downward pressures on rates, thereby making rate levels extremely bad indicators of the state of play in the whole financial sector. M2, the most effective measure of money supply, was allowed to grow at well below targeted objectives for almost three years. The effects here were intensified by the simultaneous tightening of the capital requirements for banks, which, again, the Fed either ignored or did not understand.

The Federal Reserve did not expand the money stock sufficiently over the 1990–1992 period, and the American economy suffered severely from the lowest growth in money in over three decades. This policy was even more restrictive than the tight money policy introduced by Paul Volcker to reverse double-digit inflation in the early 1980s. Had the Fed hit the mid-point of its own target ranges—money targets explicitly selected by the Fed to reduce inflation—the M2 money stock would be approximately $200 billion larger and the GDP would be $350 billion higher today.

Moreover, the real M2 money stock declined during the first 19 months of this recovery, in sharp contrast to prior recoveries in which real M2 money stock growth ranged from 6 percent to 15 percent in similar periods. Finally, a comparison of the Fed's own measure of the theoretical price level, P*, relative to the actual price level, P, shows almost the widest gap ever recorded—further suggesting that the economy has undergone and is undergoing extraordinary deflationary pressures.

Putative defenders of the Fed point to the absence of inflationary pressures in the national economy, and hail the record of 1990–1992 as a signal victory for central bank independence from politics. But what has this record achieved? There surely is no independence from political results. Old ideas that were dead and buried for decades have returned to claim putative legitimacy because public opinion was misled into believing that the Fed's policy was expansive rather than extremely restrictive. As happened in 1960 and 1976, a Republican presidential candidate was mortally wounded by the Fed's anti-inflation policy in a weak economy. We may well get fiscal stimulus in the form of extensions


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in the size of the federal sector, along with increased intrusions into the market, as supported by arguments that the whole system failed, arguments that repeat those made 60 years ago.

Then, as now, the blame deserves to be placed where it belongs, squarely on the shoulders of the monetary authorities. The U.S. economy does face severe long-term problems; this cannot be denied. And these problems—education, deficits, low savings, low productivity—are *not* to be placed at the door of the monetary authorities. But it is necessary to separate these long-term problems from the actions, or lack of actions, by the monetary authorities that created and maintained the long recession of 1990–1992. This recession need not have occurred at all, and even if it did occur, it surely need not have been so prolonged. The monetary stagnation and economic slowdown in the 1989–1992 period was so severe, so pronounced, and so prolonged that one cannot help but wonder about the power of the Fed in determining the outcomes of presidential elections.

These comments do not amount to an apology for George Bush and his colleagues in his administration. They deserve censure for all that Mr. Norquist lists, and more. But we emphasize that if Mr. Clinton won on "the economy, stupid," then President Bush lost for the same reason, and that the responsibility rests directly with Alan Greenspan and his colleagues, nowhere else.

**James M. Buchanan**
**David Fand**
Center for the Study
of Public Choice
George Mason University
Fairfax, VA

### Possible Rice Shortage

Dear Sir:

There are several comments I would like to make in reference to Sylvan H. Wittwer's article, "Flower Power: Rising Carbon Dioxide Is Great for Plants" (Fall 1992).

First, many of the studies that Mr. Wittwer refers to his article were performed under highly idealized conditions. When plants are grown in greenhouses with higher levels of $CO_2$ than currently in the earth's atmosphere, many of the other important factors are controlled. For example, temperature may be regulated, adequate soil moisture is provided, and other important nutrients are provided. Therefore, few of the past experiments are actually simulations of what can be expected in the future as climate may be altered, since it is not only $CO_2$ that will be affected, but soil moisture may be drastically reduced across much of the world's current agricultural lands, and temperatures will increase.

Second, the Environmental Protection Agency's research office has performed some important work on rice productivity under different climates. The work shows that the enhanced yields resulting from higher levels of $CO_2$ are almost entirely eliminated when there also is a higher atmospheric temperature and that rice yields fall off precipitously with these higher temperatures. This result has major implications for world starvation, since billions of people depend on rice for their caloric intake.

This issue of plant response to future climate is of major importance. I am pleased to see that the Intergovernmental Panel on Climate Change, an international group set up under the auspices of the United Nations Environmental Program and the World Meteorological Organization will be addressing this issue as part of their next scientific assessment. Many questions remain to be answered.

**Eileen B. Claussen**
Director
Office of Atmospheric Programs
U.S. Environmental
Protection Agency
Washington, DC

### Not My Signature

Dear Sir:

Contrary to the statement in Elizabeth P. McCaughey's article, "Democracy at Risk: The Dangerous Flaws in the Electoral College" (Winter 1993), I did not sign the report of the Panel on Presidential Selection. Instead, I wrote an attached strong dissent that was cosigned by R. Gordon Hoxie, president of the Center for the Study of the Presidency.

While I agree with the proposal to award the electoral votes automatically, I do not agree with the proposal to have a popular runoff if no candidate receives a majority of the electoral votes. A popular runoff

**Western ranchers are excellent stewards of the land—if they were not, they would be kicked off.**

**—William Perry Pendley**



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is unnecessary, undesirable, and unsound.

The proposal is unnecessary because the danger of deadlock is very remote, even when there are three strong contenders. The current system began 160 years ago with the almost universal adoption of the state-unit system. Under that system, we have never had a deadlock, despite a series of close elections and strong third-party candidacies. In fact, third-party candidacies, like Ross Perot's, create an electoral vote landslide for one of the three candidates. In 1992, Mr. Clinton's 43 percent of the popular vote was converted into 69 percent of the electoral vote.

The proposal is undesirable because it could make contingency elections the rule, and we do not want contingency elections. We want a decision that is swift, sure, clean, and clear. We do not want delay, uncertainty, and the incentive for secret deals among the candidates. An orderly transition of power is desirable in terms of both our domestic and foreign policies.

The proposal is unsound because it does not constitutionalize the state-unit rule, which is the source of the many virtues of the present system, which include the broadly based, cross-sectional requirement

for victory, and support of our moderate and stabilizing two-party system. Nor does the proposal address the multiple problems of holding a popular runoff, such as the short time frame after the November election, disputes about whether a contingency election is actually necessary, and, if so, which candidates would compete in the runoff. There could be court-ordered recounts in multiple states because of tabulation errors or charges of election fraud. And all the while the election would be in doubt.

When you change the rules this drastically, you change the game; you change candidate and voter psychology; you change the way the game is played and the skills necessary to win. Reformers focus too exclusively on remote dangers in the existing system and not at all on the serious problems their "cures" will produce.

**Judith A. Best**
Distinguished Teaching Professor
of Political Science
SUNY at Cortland
Cortland, NY

*Editor's Note:*

*An editing mistake was responsible for the error mentioned in Ms. Best's letter. The staff of* Policy Review *apologizes for this error.*



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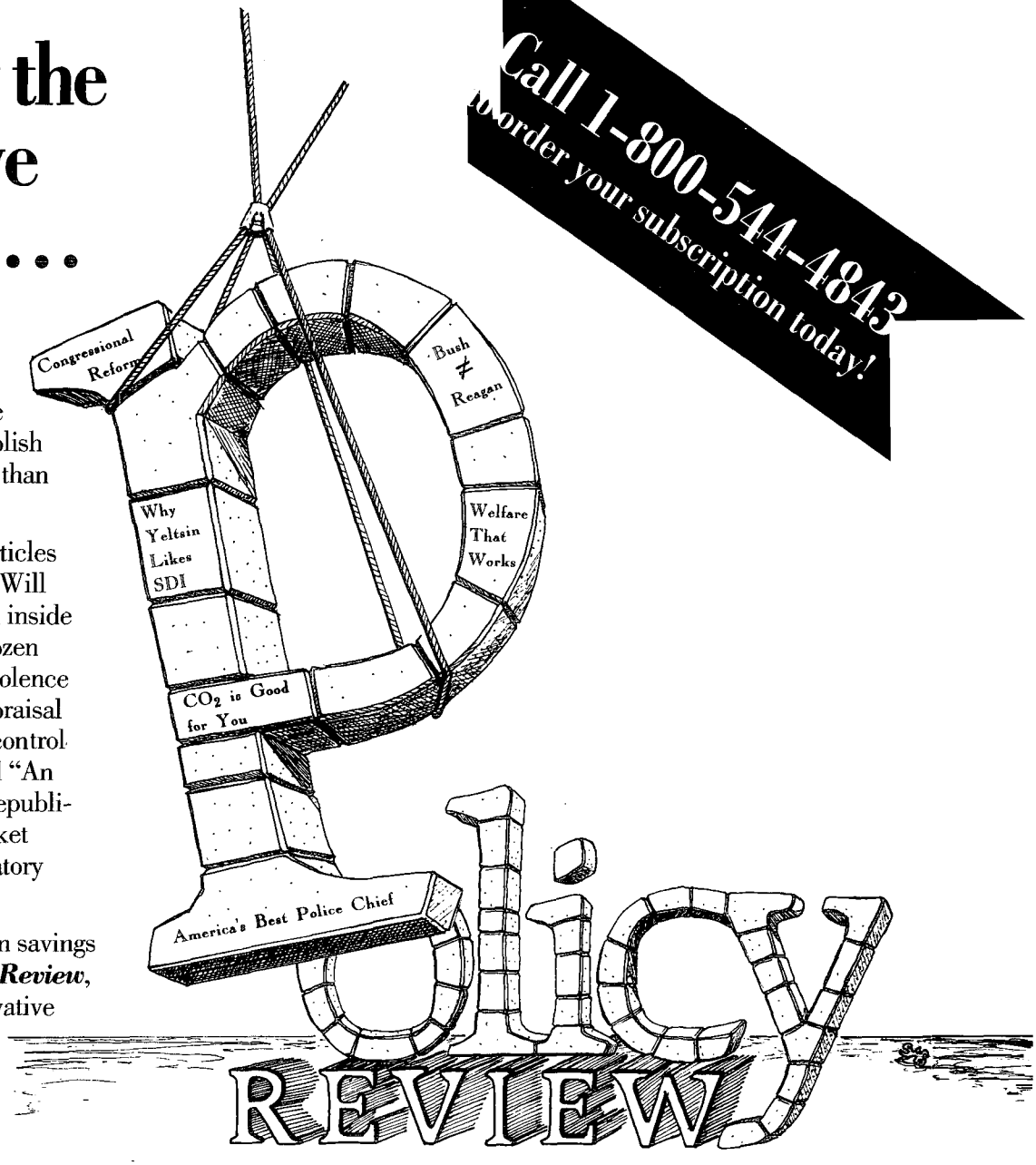


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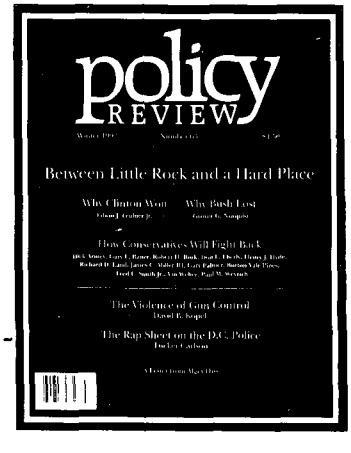
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"A wise and frugal government ... shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits ... and shall not take from the mouth of labor the bread it has earned."—Thomas Jefferson

John G. West Jr.
*Monticello's New Democrat: What William Jefferson Clinton Can Learn from Thomas Jefferson*

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